

By Mr. DONOHUE: A bill (H. R. 11598) granting an increase of pension to Henry N. Smith; to the Committee on Invalid Pensions.

By Mr. FOSTER of Illinois: A bill (H. R. 11599) granting an increase of pension to A. P. Moore; to the Committee on Invalid Pensions.

By Mr. HARTMAN: A bill (H. R. 11600) granting an increase of pension to John Fleegle; to the Committee on Invalid Pensions.

By Mr. O'SHAUNESSY: A bill (H. R. 11601) granting an increase of pension to Ellen Curley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11602) granting an increase of pension to Mark A. Handy; to the Committee on Invalid Pensions.

By Mr. PATTON of Pennsylvania: A bill (H. R. 11603) granting an increase of pension to William L. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11604) granting an increase of pension to Emeline E. Manning; to the Committee on Invalid Pensions.

By Mr. PETERS: A bill (H. R. 11605) granting a pension to Katherine A. Belford; to the Committee on Invalid Pensions.

By Mr. PICKETT: A bill (H. R. 11606) granting an increase of pension to Joseph Richards; to the Committee on Invalid Pensions.

By Mr. REILLY: A bill (H. R. 11607) granting a pension to Jane Williams; to the Committee on Pensions.

Also, a bill (H. R. 11608) granting an increase of pension to Mary Leary; to the Committee on Invalid Pensions.

By Mr. WHITE: A bill (H. R. 11609) granting an increase of pension to William Ross; to the Committee on Invalid Pensions.

By Mr. WILSON of Illinois: A bill (H. R. 11610) granting a pension to Frances A. Francis; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BARCHFELD: Papers in re bill granting an increase of pension to George Thompson, jr., late of Company K, First Regiment Pennsylvania Cavalry; to the Committee on Invalid Pensions.

By Mr. BARNHART: Petitions of Thomas Bros., of Grasscreek, Ind., and merchants of Carlisle, Ind., protesting against the enactment of a parcels-post law; to the Committee on the Post Office and Post Roads.

Also, resolutions by Cigar Makers' Union No. 33, of Indianapolis, Md., urging investigation of alleged kidnaping of John J. McNamara; to the Committee on Rules.

Also, petitions of merchants of Leesburg and New Paris, Ind., protesting against the passage of the parcels-post law; to the Committee on the Post Office and Post Roads.

Also, petition of South Bend (Ind.) druggists, against the passage of House bill 8887; to the Committee on Ways and Means.

Also, petition of socialists of South Bend, Ind., against alleged kidnaping of J. J. McNamara; to the Committee on Rules.

By Mr. BURKE of South Dakota: Petition of numerous citizens of South Dakota asking for a reduction in the duty on raw and refined sugars; to the Committee on Ways and Means.

By Mr. FOCHT: Petition of Rine & Ulsh, of Beavertown, Pa., favoring reduction in duty on raw and refined sugars; to the Committee on Ways and Means.

By Mr. GARDNER of Massachusetts: Resolutions from Salem Local, United Shoe Workers of America, protesting against the proceedings incident to the arrest of the secretary-treasurer and two other members of the International Bridge and Structural Iron Workers' Union for alleged complicity in the dynamiting of the Times Building at Los Angeles, Cal.; to the Committee on Rules.

Also, resolutions from Local No. 35, United Shoe Workers of America, of Marblehead, Mass., calling upon Congress for an investigation of the method of procedure in the arrest of John J. McNamara, general secretary-treasurer of the Structural Iron Workers, with a view to releasing McNamara if it is found that the arrest was unconstitutional; to the Committee on Rules.

Also, petition of H. H. Story and 11 other residents of Merri-mac, Mass., favoring a reduction in the tariff duty on raw and refined sugars; to the Committee on Ways and Means.

By Mr. JAMES: Petition of citizens of Kuttawa, Ky., asking for a reduction of the duty on sugar; to the Committee on Ways and Means.

By Mr. MADISON: Petition of numerous citizens of Gray County, Kans., asking for reduction in the duty of sugar; to the Committee on Ways and Means.

By Mr. REILLY: Resolutions adopted by two associations of business men of Connecticut, protesting against the Sulzer parcels-post bill; to the Committee on the Post Office and Post Roads.

By Mr. WHITACRE: Resolutions of Local Assembly No. 3, Watch Case Engravers' Association of America, protesting against methods used in arrest of John J. McNamara and others and indorsing the Berger resolution; to the Committee on Rules.

By Mr. WHITE: Affidavits supporting House bills 11466 and 11468; to the Committee on Pensions.

Also, evidence supporting House bills 11467, 11469, 11470, 11471, 11472, and 11473; to the Committee on Invalid Pensions.

SENATE.

WEDNESDAY, June 14, 1911.

The Senate met at 12 o'clock m.

Prayer by the Chaplain, Rev. Ulysses G. B. Pierce, D. D., as follows:

Almighty God, our heavenly Father, for this day, commemorative of the love and devotion which gave to our country the symbol of our liberty and of our Union, we render unto Thee sincere and humble thanks. Keep alive, we pray Thee, in the hearts of this united people the fire of patriotic ardor. In Thy grace grant that evermore this may be the land of the free because the home of the brave. And unto Thee who rulest over the kingdoms of men, and whose we are, and whom we serve, be all glory in earth and in heaven, now and forever more. Amen.

The Journal of yesterday's proceedings was read and approved.

ERADICATION OF CATTLE TICKS IN ALABAMA.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of Agriculture transmitting, in response to a resolution of the 11th ultimo, a memorandum setting forth in detail the operations of the Department of Agriculture in the eradication of cattle ticks in the State of Alabama, which, with the accompanying paper, was referred to the Committee on Agriculture and Forestry and ordered to be printed. (S. Doc. No. 47.)

PETITIONS AND MEMORIALS.

Mr. CULLOM presented a memorial of Burritt Grange, Patrons of Husbandry, of Winnebago County, Ill., remonstrating against the proposed reciprocal trade agreement between the United States and Canada, which was ordered to lie on the table.

He also presented a memorial of the Central Labor Union of Bellows Falls, Vt., remonstrating against the ratification of the proposed treaty of arbitration between the United States and Great Britain, which was referred to the Committee on Foreign Relations.

He also presented petitions of the Woman's Christian Temperance Union of Providence, R. I.; of the congregations of the Methodist and Baptist Churches of Dighton, Mass.; and of the National League of Commission Merchants, praying for the ratification of the proposed treaty of arbitration between the United States and Great Britain, which were referred to the Committee on Foreign Relations.

Mr. GALLINGER presented a memorial of Local Division No. 2, Ancient Order of Hibernians, of Portsmouth, N. H., remonstrating against the ratification of the proposed treaty of arbitration between the United States and Great Britain, which was referred to the Committee on Foreign Relations.

He also presented a petition of the Chicago Peace Society, of Illinois, praying for the ratification of the proposed treaty of arbitration between the United States and Great Britain, which was referred to the Committee on Foreign Relations.

Mr. GRONNA presented a memorial of the congregation of the Seventh-day Adventists Church of Streeter, N. Dak., and a memorial of the congregation of the Seventh-day Adventists Church of Baldwin, N. Dak., remonstrating against the enforced observance of Sunday as a day of rest in the District of Columbia, which were ordered to lie on the table.

He also presented a petition of sundry citizens of Westhope, N. Dak., praying for a reduction of the duty on raw and refined sugar, which was referred to the Committee on Finance.

Mr. PERKINS presented memorials of sundry citizens of Mountain View, San Martin, Morgan Hill, and Gilroy, all in the State of California, remonstrating against the passage of the so-called Johnston Sunday-rest bill, which were ordered to lie on the table.

Mr. BROWN presented sundry affidavits in support of the bill (S. 2010) granting an increase of pension to Ransom W. Bailey, which were referred to the Committee on Pensions.

He also presented sundry affidavits in support of the bill (S. 2175) granting an increase of pension to Frank McDaniels, which were referred to the Committee on Pensions.

Mr. WETMORE presented a petition of the Woman's Christian Temperance Unions of Providence, R. I., praying for the ratification of the proposed treaty of arbitration between the United States and Great Britain, which was referred to the Committee on Foreign Relations.

Mr. NELSON presented a memorial of the congregation of the Seventh-day Adventist Church of Owatonna, Minn., and a memorial of the congregation of the Seventh-day Adventist Church of Fergus Falls, Minn., remonstrating against the enforced observance of Sunday as a day of rest in the District of Columbia, which were ordered to lie on the table.

Mr. O'GORMAN presented a memorial of the Retail Merchants' Association of Buffalo, N. Y., remonstrating against the imposition of a stamp tax on proprietary medicines, which was referred to the Committee on Finance.

He also presented memorials of Potsdam Grange, Sherman Grange, and Millerton Grange, Patrons of Husbandry, all in the State of New York, remonstrating against the proposed reciprocal trade agreement between the United States and Canada, which were ordered to lie on the table.

Mr. ROOT presented memorials of East Schuyler Grange, No. 576; Adams Grange, No. 391; Lake Placid Grange, No. 1171; Whitehall Grange, No. 922; Mendon Grange; Homer Grange, No. 834; St. Louis County Grange; Delphi Grange; Treadwell Grange, No. 1169; Stockton Grange; Riggs Grange, No. 168; East Fayette Grange, No. 40; South Dayton Grange, No. 213; Lenox Grange, No. 43; Jefferson County Grange; Phoenix Grange, No. 920; Scotch Bush Grange; Glendale Grange, No. 548; Wawarsing Grange, No. 956; North Hannibal Grange, No. 672; Texas Valley Grange, No. 972; and Friendship Grange, No. 72, Patrons of Husbandry, all in the State of New York, remonstrating against the proposed reciprocal trade agreement between the United States and Canada, which were ordered to lie on the table.

REPORT OF COMMITTEE ON CLAIMS.

Mr. CRAWFORD. I am directed by the Committee on Claims to return certain bills to the Senate, with the recommendation that they be indefinitely postponed (S. Rept. 64), because the claims upon which they have been based have been sent to the Court of Claims, and are still pending there, and have never been reported back, so that these bills have been prematurely introduced, while the claims are in the jurisdiction of the Court of Claims.

The bills were indefinitely postponed, as follows:

A bill (S. 898) for the relief of James W. Kingon;

A bill (S. 961) for the relief of the heirs at law of E. L. Shuford, deceased;

A bill (S. 966) for the relief of the Zion African Methodist Episcopal Church of Beaufort, N. C.;

A bill (S. 967) for the relief of Grace Protestant Episcopal Church, of Plymouth, N. C.;

A bill (S. 968) for the relief of Salem Methodist Episcopal Church South, of Wayne County, N. C.;

A bill (S. 969) for the relief of Beulah Primitive Baptist Church, of Johnstown County, N. C.;

A bill (S. 970) for the relief of Spencer Etheredge, J. E. Berry, and Charles Meekins, trustees of Roanoke Island Baptist Church, Roanoke Island, N. C.;

A bill (S. 1266) for the relief of the heirs of William Samuel Custis;

A bill (S. 1268) for the relief of Luther H. Potterfield;

A bill (S. 1269) for the relief of Bland Massie;

A bill (S. 1270) for the relief of John Henry Edwards;

A bill (S. 1282) for the relief of the estate of Branon Thatcher, deceased;

A bill (S. 1287) for the relief of Norval Cox and heirs of Robert Rollins, deceased;

A bill (S. 1292) for the relief of James H. Hottel;

A bill (S. 1303) for the relief of the heirs of John A. Jones, deceased;

A bill (S. 1409) for the relief of the estate of Thomas W. Maides, deceased;

A bill (S. 1428) for the relief of Walter T. Dough;

A bill (S. 1433) for the relief of E. M. Felts;

A bill (S. 1440) for the relief of the heirs of John H. Richardson, deceased;

A bill (S. 1718) for the relief of Clara D. Miller;

A bill (S. 1740) for the relief of the heirs of John D. Rawlings, deceased;

A bill (S. 1741) for the relief of the estate of Richard Wiseman, deceased;

A bill (S. 1894) for the relief of A. M. Randolph and the other children and heirs of Robert Lee Randolph, deceased;

A bill (S. 2049) for the relief of owners of property at Popham Beach, Me., on account of depreciation in value of same by reason of the location of heavy guns at Fort Baldwin and the firing thereof;

A bill (S. 2392) for the relief of the estate of Edward Bedsole, deceased;

A bill (S. 2394) for the relief of Samuel H. Yarborough and estate of John Jones, deceased;

A bill (S. 2395) for the relief of the heirs or estate of James M. Alexander, deceased;

A bill (S. 2401) for the relief of David C. and Daniel W. Reece, heirs of Andrew Reece, deceased;

A bill (S. 2404) for the relief of heirs or estate of C. C. Blancit, deceased;

A bill (S. 2406) for the relief of heirs or estates of Elbert H. Ellett and Malinda Ellett, deceased;

A bill (S. 2407) for the relief of James Williams;

A bill (S. 2409) for the relief of Thomas Seymour;

A bill (S. 2410) for the relief of heirs or estate of Benjamin Lawler, deceased; and

A bill (S. 2690) for the relief of Alexander P. Hart, heir of Joseph Hart, deceased.

CLAIM OF THE METHODIST PROTESTANT CHURCH.

Mr. CRAWFORD. Mr. President, I submit a resolution from the Committee on Claims, referring a case to the Court of Claims, which was inadvertently omitted from the resolution passed at the last session. I ask for its immediate consideration.

The resolution (S. Res. 64) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the bill (S. 1731) entitled "A bill for the relief of the Methodist Protestant Church," now pending in the Senate, be, and the same is hereby, referred to the Court of Claims in pursuance of the provisions of an act entitled "An act to provide for the bringing of suits against the Government of the United States," approved March 3, 1887, and commonly known as the Tucker Act. And the said court shall proceed with the same in accordance with the provisions of such act and report to the Senate in accordance therewith.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of Michigan:

A bill (S. 2751) providing for the erection of a post-office building at Hastings, Mich.; to the Committee on Public Buildings and Grounds.

By Mr. CULLOM:

A bill (S. 2752) to correct the military record of Michael Fitzgerald; to the Committee on Military Affairs.

By Mr. BROWN:

A bill (S. 2753) authorizing the Winnebago Tribe of Indians to submit claims to the Court of Claims; to the Committee on Indian Affairs;

A bill (S. 2754) granting an increase of pension to O. L. Cady; and

A bill (S. 2755) granting an increase of pension to John Rosswork; to the Committee on Pensions.

By Mr. BURNHAM:

A bill (S. 2756) granting a pension to Samantha Putney Spaulding; to the Committee on Pensions.

By Mr. WETMORE:

A bill (S. 2757) granting an increase of pension to Catherine S. Wales;

A bill (S. 2758) granting an increase of pension to Sarah A. Peck; and

A bill (S. 2759) granting an increase of pension to Hannah G. Edgar (with accompanying papers); to the Committee on Pensions.

By Mr. WARREN:

A bill (S. 2760) to provide for the sale of the United States military reservation at Fort Walla Walla, Wash., and for other purposes; to the Committee on Military Affairs.

By Mr. GUGGENHEIM:

A bill (S. 2761) to amend an act approved February 6, 1905, entitled "An act to amend an act approved July 1, 1902, entitled 'An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and

for other purposes,' and to amend an act approved March 8, 1902, entitled 'An act temporarily to provide revenue for the Philippine Islands, and for other purposes,' and to amend an act approved March 2, 1903, entitled 'An act to establish a standard of value and to provide for a coinage system in the Philippine Islands,' and to provide for the more efficient administration of civil government in the Philippine Islands, and for other purposes"; to the Committee on the Philippines.

By Mr. CURTIS:

A bill (S. 2762) to correct the military record of Archibald Craig; to the Committee on Military Affairs.

A bill (S. 2763) for the relief of James P. Howe; and

A bill (S. 2764) granting a pension to Alta Breckenridge; to the Committee on Pensions.

By Mr. FOSTER:

A bill (S. 2765) granting a pension to Clementine Chapman; to the Committee on Pensions.

By Mr. CLARKE of Arkansas:

A bill (S. 2766) to authorize the St. Louis, Iron Mountain & Southern Railway Co. to construct and operate a bridge across the St. Francis River in the State of Arkansas, and for other purposes; to the Committee on Commerce.

STANDARD OIL CO. AND AMERICAN TOBACCO CO.

Mr. POMERENE. Mr. President, I desire to give notice that to-morrow, at the close of the routine morning business, I shall have something to say on Senate concurrent resolution No. 4, instructing the Attorney General of the United States to prosecute the Standard Oil Co. and the American Tobacco Co.

RECIPROCITY WITH CANADA.

The VICE PRESIDENT. The morning business is closed and the calendar is in order under Rule VIII.

Mr. PENROSE. I move that the Senate proceed to the consideration of the bill (H. R. 4412) to promote reciprocal trade relations with the Dominion of Canada, and for other purposes.

The VICE PRESIDENT. Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. McCUMBER. Mr. President, so far as its result upon the vote of the Senate is concerned, we might properly omit any discussion of this subject and proceed to dispose of it. This measure will pass the Senate by a vote of nearly 2 to 1. It will be supported by the Democratic side of the Chamber as a party measure, expected by them to destroy the Republican policy of protection, and will be reluctantly supported by a considerable number of Republican Senators, whose reasons, I presume, will be given in a mild form in the course of debate.

I do not expect that my discussion will change a single vote in this body. I do expect, however, that I shall be able in the course of my remarks to establish beyond any possible controversy that the enactment of this pact into a law will grievously injure the agricultural interests of every Northern State and will benefit the agricultural interests of no State. I do expect to establish this fact so clearly that no Senator shall be able to excuse his vote for this measure on the ground that by so doing he does not strike a blow, and a hard blow, at that particular industry; and that he must justify his vote, if at all, on the ground that some assumed national interest demands the sacrifice of the agricultural interests.

In the discussion to-day I shall deal with only one phase of the question—the injury to the grain producers of the country. Other Senators will show the effect of this measure on other industries, and I shall at another time deal with other features of the bill.

RECIPROCITY.

Very shortly after the reciprocity agreement had been consummated by the American and Canadian negotiators and its terms for the first time made public I carefully read all its details. It seemed to me then to be so one-sided in its intended benefits and so harmful to the interests of the people of the State I represented and so opened the doors for the admission of a Canadian product which I had long declared to our people to be the one great danger which continuously threatened their welfare, that I felt compelled to give immediate expression of my own views and those views which I had every reason to believe were held by the vast majority of the people of my State in an address upon the subject made February 25 last.

I believe that this treaty, if enacted into law, would not only postpone for many years the consummation of a hope indulged in by the farmers of the country, a hope that had been held out to them by every speaker and writer who sought to secure and hold their votes for the protective policy of the country, but that its logical result would be to destroy the policy itself.

And I knew, Mr. President, that either the political doctrines which I had held all my life were wrong or that this treaty was wrong. I knew that either the promises and encouragement which I had held out to the people of my State were ill-founded and illogical or that such promises and encouragement would be defeated by this measure. I must therefore either repudiate all I have advocated for years or oppose the consummation of this agreement.

Mr. President, so insistent has been the declaration of the President of the United States, than whom a more courageous, honest, fearless, and patriotic President never lived, so earnest has been the support of those whom I know have at all times had the interest of the people of the Northwest at heart, in favor of this pact, that since making my former address I have tried to see if it were possible that my political creed or my prophecy has been bottomed on faulty premises. While I would much prefer to be both consistent and right, if the two will not harmonize, I will abandon the consistency.

I have therefore faithfully attended every hearing before the Committee on Finance in which the question of the effect of this treaty upon agricultural interests was discussed. The evidence in respect thereto has been very full, very interesting, and, to my mind, very conclusive. Most of the witnesses who gave their testimony before the committee were men who had made careful study of the question and were able to discuss it in all of its bearings. The questions propounded by members of the Finance Committee were for the most part pertinent and searching. The spirit which seemed to dominate the committee was the desire to get at the truth, and it seemed to me that every question asked by any Senator of any witness was propounded for the purpose of eliciting information which would elucidate any theory or conclusion advanced or denied.

The hearings having been completed, the matter comes before the Senate with a great array of facts and figures. And if the evidence contained in these hearings has not had the effect of changing previous convictions of the members of the committee or of those Senators who will take time to read them, it has at least given them a vast fund of information which will enable them to refute erroneous conclusions.

Mr. President, it is difficult for us to divest ourselves of the influences of our life's environments, and especially of those convictions engendered during the formative period of our existence when we were first brought face to face with a world into whose conflicts we were sometimes prematurely hurried by the necessities of our situation.

Leaving a backwoods farm, the memory of whose hardships and limitations always touch into vibration every chord of my sympathy, for an occupation of greater remuneration and broader opportunities, I am compelled to admit that I carry a degree of prejudice in favor of my early companions and of all those who labor in the fields, whether through inclination or because controlling conditions have chained them to the reluctant soil. I start out in this argument with a conviction *that never within the period of recorded history, never since cities were known, has the tiller of the soil lived on a plane of equality, measured by comforts, luxuries, or opportunities, with the dwellers of the cities, and that the wealth and grandeur of the cities of to-day represent a tribute exacted from the tillers of the soil.* I have the abiding conviction that there is a wrong to be righted, and that it can only be righted by increasing the profits of country occupations to an extent that they will equal the profits of city occupations and trades so far as governmental agency can properly and constitutionally bring about such a result.

The earnings of the one class above that which insures comfort and reasonable recreation leads it into excesses and ostentatious show and rivalry that destroys every fiber of sturdy character. The meager earnings of the other, the denial of proper comforts, rest, recreation, and hygienic conditions must be detrimental to his highest welfare. A more fair and equitable balance of the income and the expense of each would be most healthful and beneficial to both.

Mr. President, we arrive at most of our conclusions in life through our sense of observation, and we acquire certain convictions that can not be shaken by any sort of statistics. But if we do study those statistics in the light of all surrounding conditions we will find that they will generally agree with what our observation teaches us. We know, for instance, that the majority of people live according to their means; that most people who have means to live in palaces do not live in hovels; that most people who have means to array themselves in fair and becoming fabrics do not dress in a shabby and slovenly manner; that most people who have means to travel do not tie themselves forever within the walls of their own

homes. And when I go through this country and compare the average farm home with the average city home—and we always are forced to deal with averages—when I compare the home furniture of the one with the other, the shabby and meager clothing of the one with the other, the hours of labor of the one with the other, the opportunities and environments of the one with the other, the expenditure for luxuries and unnecessaries of the one with the other, I know that the farmer and the farmer's family receive far less for their labor than any other equally intelligent workmen in the United States.

And I further know, Mr. President, that the economic laws, whether of ancient or modern birth, which allow, or, at least, in this age of general enlightenment permit, this condition to remain, needs some amendment. I know we can not by legislative enactment remove great natural barriers or utterly overcome the great economic laws of the world's supply and demand as they affect the general level of values. But I do know that every great country through its revenue laws does, and purposely does, affect the value of the products of its important industries within its own borders and does protect, stimulate, and make profitable industries which otherwise could not stand the test of international competition. And to that extent I invoke legislation favoring the American farmer. If I can raise his financial condition so that his life will more nearly correspond with the life of the average inhabitant of the cities, I want to do so. If I can make farming more remunerative by law, I want that law.

If any of you believe that the farmer of this country is to-day receiving his proportionate share of income for his labor and capital employed, you will be justified in saying by your vote that he shall have no greater reward for his industry; and if you believe that his prosperity for the next century should not be superior to the prosperity of the average grain producer of the world, you will be justified in voting for this reciprocity agreement, because the certain effect of the vote will be to fix his status on that plane.

Mr. President, the farmer boy who, driving his broken and heavy horses with his load of vegetables or cordwood for city consumption, reverentially turns aside to yield the road to high-bred steeds, glittering harness, and spotless carriage, or who, by accident, may get a glimpse, through folds of silken tapestry, into some parlor whose shining floor he feels would be profaned by his step, may justly be excused if he does feel in his heart the stirring birth of some vague, indefinite hope that some day, some way, the walls of his own little cottage may be broadened and heightened and all his shabby surroundings brought to a higher degree of beauty, with its influence for refinement and culture. And I, who have followed this lad and know every impulse of his heart, may also be pardoned if I approach this subject from his standpoint and actuated by a desire to help him and all those who live his life to realize to some extent these hopes and aspirations.

Mr. President, I am not unmindful of some of the broad and statesmanlike reasons which guide the minds of many in supporting this reciprocal trade agreement. No one can deny that one of the principal factors that enter into national prosperity is the element of balance of trade. Nor is there any denial of the truth that as our agricultural surplus dwindles by reason of home consumption our balance of trade will decrease. In this connection it may also be doubted whether our manufacturers will be long able to compete in the world's market with the more cheaply produced articles of Great Britain, Germany, or Japan. With our exportation of food products growing less and our supremacy in the exportation of manufactured articles being very doubtful, we may well consider how we shall be able to maintain that balance of trade which has given us our great prosperity during most of the last 40 years. These trade conditions may justify those in supporting this bill who believe that by this treaty we shall be able to considerably increase the exportation of our manufactured products without materially affecting our agricultural exportations or the value of the home product.

Mr. President, we shall need the balance of trade. But will this agreement, if enacted into law, increase our balance of trade with Canada? If it will, will that increase be purchased at too great a price? If it will increase our balance of trade, of course we will all reap some benefit from it. It may be small, but every dollar of a balance of trade means something to every American citizen.

It may increase our exportations of farm machinery. As the Canadian Northwest develops, as it will undoubtedly enormously develop in the next decade, there will be a corresponding increase in the exportation of farm machinery for the

Alberta, Saskatchewan, and Manitoba grain fields. I believe we will have that increase whether we have reciprocity or not. We are at present supplying the demand of that section even with the Canadian tariff to be overcome. With that tariff off the Canadian field may be a little more inviting. But will there not be an increase of agricultural importations from Canada that will more than offset the exportation of all manufactured articles into Canada? I feel certain this will be the result.

My investigation leads me to the conclusion that there will be an immediate increase in the importation of Canadian potatoes, hay, barley, flax, wheat, oats, considerable dairy products, and some cattle, and that in the grain trade there will be an ever-increasing supply from Canada as her new lands are being brought under the plow and our old lands are becoming less productive. One thing is certain, and that is, if our prices of cereal products continue on this side of the line to be higher, as they are to-day, than on the Canadian line, Canada will export heavily into this country until such exportations produce a level of prices. It may be that after the level has been once obtained and there will be no object in further importing from Canada into this country, the prices on both sides of the line being substantially the same, Canadian products will go directly to Europe instead of the United States. But the fact that she will have an enormous surplus for exportation, ready to be dumped into our markets the moment our prices rise above hers, will have the same effect in keeping our prices on a plane with hers as though she were actually importing into this country. This is so obvious that it needs no elucidation.

And I might suggest as a further fact along this line that there are two ways of increasing our balance of trade—one by increasing our exports and the other by diminishing our imports; or, expressed in other words, by buying our own products from our own people instead of buying them abroad. A dollar expended at home is always a dollar saved for home; and a dollar saved is always equivalent to a dollar earned.

The Liberal Party of Canada supports this treaty on the ground, and almost the only ground, that the American markets will afford them a field for vast exportations of agricultural products. The northwestern farmers of Canada support this pact for the same reason that the northwestern American farmers oppose it.

In his address to the Canadian Parliament on March 7, 1911, Sir Wilfrid Laurier said:

I stated a moment ago that the agreement we made is simply to get better prices for the products of the Canadian farmer. This is a proposition so obvious that I am surprised that it should have received the treatment it has received on the part of our friends on the outside.

It is perfectly obvious to the Canadian statesman that Canadian farmers will get better prices for their products, but it is not at all obvious to the supporters of this agreement that the American farmers must therefore receive less for their products. Will some of these mathematically inclined supporters of this proposition demonstrate to me how it is possible for the Canadian farmer to get more for his products by sending them into the United States if the prices are not higher in the United States? And if it is true, as I have always supposed it was mathematically true, that increase of quantity in a given market tends to decrease prices, how is it possible for the Canadian farmers' products to come into this country in any great quantities—such quantities as would greatly benefit the Canadian farmers—without tending to reduce the value of the American products? Whatever may have been the views of the American negotiators, this Canadian statesman declares the agreement was made simply to get better prices for the products of the Canadian farmers. He could not get better prices unless the American prices average higher than the Canadian prices, and he could not get his higher prices from the American side unless the products were exported from Canada into this country. So I have strong support in my position, outside of facts and figures which I will produce to demonstrate its correctness, in the well-weighed and carefully worded sentences of the Canadian premier.

And it is also evident that the Canadian statesman believed that the advantage was all with Canada; that while Canada would increase her exports of agricultural products into this country, we would not materially increase the exportation of manufactured products into Canada, except possibly the agricultural implements which I have mentioned; for in the same address he highly complimented the Canadian minister for—using his exact words—*having obtained from our neighbors such an advantageous arrangement and having obtained it without the sacrifice of any Canadian interests.* If I remember rightly, the only thing he admitted we might gain advantage in was in the exportation of our farm machinery.

Thus, then, do my views accord with the views of the Liberal Party of Canada, that we will not increase our balance of trade by this agreement, but, on the contrary, will diminish it, and Canada will increase hers.

Again, it is urged by our President, and I believe not without some justification, that now is the accepted time to enter into such commercial relations with Canada as shall assure to us the Canadian trade. "Now or never." In using these last words, with considerable emphasis, the President undoubtedly had in mind the great efforts on the part of Great Britain to secure more close political and commercial relations with her colonies. The effort of Joseph Chamberlain to bring about such a condition is recent history. Representation in the British Parliament by Canada would undoubtedly place the home Government in a better position to secure preferential rates with Canada than it at present occupies. But, Mr. President, unless Canada should surrender her autonomy entirely, which I do not believe she will do under any sort of an agreement with Great Britain, I shall still have faith in the continuing power of that element of human nature which we call selfishness. With her enormous surplus at our door we need have no fears that she will not be most glad to avail herself of the opportunity to enter so near a market whenever our diminishing home supply will justify us in opening that door. I shall still believe that a people with 3,000 miles of imaginary border line will always find means to enter into advantageous commercial relations when such relations can be demonstrated to be of advantage to both and without injury to the great industries of either. But the basis of such a commercial relation ought to be reciprocally just, one which should not surrender the interests of one great class of people of either country for the benefit of another great class.

But, Mr. President, I should feel compelled to vote against this measure for another most potent reason, even though I had some doubts, which I have not, of the correctness of my position. I know that the people of my State, not by a bare majority, but in overwhelming numbers, are bitterly opposed to the ratification of this agreement, and a vote in its favor would do extreme violence to their views and wishes. I know it is said by many that the farmers are not so much exercised about the matter as we are lead to believe. I have, however, taken great pains to ascertain the sentiment of the farmers of my State, and I know, as I have said, that they are overwhelmingly and extremely bitter against this Canadian reciprocity.

Mr. President, I have for years been preaching to the farmers of my State this doctrine: You are not receiving your full share of American prosperity; you are not receiving for your labor, hour for hour, anything like equally intelligent labor is receiving in other vocations; you are selling the products of your farm, the result of your labor, in an unprotected world's market and in competition with the farm products of the world, while everything which you purchase has an artificial and enhanced value, due to protective duties and the higher prices allowed for the labor employed in producing it. You can not remedy this by depriving others of their protection, for in doing so you will destroy your best market—the home demand. If you should put the laborers engaged in manufacturing on an earning basis equal only to that of the labor of the whole world, you would thereby decrease their purchasing power and diminish their ability to purchase your products. And what is still worse, by closing their mills you would send your own money abroad to be expended by a foreign people in the purchase of foreign products.

You are laboring under what is always a material disadvantage and a price depresser, namely, a surplus. The great question for you is how to get rid of that surplus. There are two ways of eliminating it—one by producing less; the other by increasing consumption. You have the land. It is particularly adapted to production. You can not allow that land to be non-productive or to produce that which gives you no profit. It is far better for you to increase the home consumption to take care of that surplus, and maintain a living price, than to decrease your production. You also know that a home market has a greater influence in maintaining good prices, even though it may not take all of your surplus, than has a foreign market. The home consumption always reduces the volume of the surplus which otherwise would have to enter in competition with the world's production. The smaller the surplus the greater the value per unit.

Now let us look this condition straight in the face and see what is the best future policy for us as farmers. We can start our investigation with this assured fact: There is a natural limit to acreage and production; there is no natural barrier which will limit increase of population. Our population will go right on increasing, but when our available acreage is all con-

verted into productive soil we can not add to that acreage. We may increase within limits the productiveness of each acre, but we can not increase the number of acres. It needs no expert mathematician to demonstrate that consumption will soon overtake production, and that your surplus will soon be wiped out. When we began to turn the sod of the prairies lying west of the Mississippi and east of the desert plains, we had a vast empire of fertile land to convert, and for a while production kept more than apace with consumption. Prior to 1870 we were producing about 250,000,000 bushels of wheat annually. In the seventies there was a wonderful migration to these western lands. In the later seventies we began to see the result of this western settlement. Within a very few years our wheat production mounted up to the 500,000,000-bushel mark. Since 1880 the increase has been very gradual. We can therefore take 1880 as the beginning of the era of the greater wheat production in the United States and use it as a proper basis for computation. In 1880 our population was, in round numbers, 50,000,000 and our wheat production 498,549,868 bushels. In 1910 our population was 92,000,000 and our estimated wheat production 675,000,000 bushels. In the last 30 years, therefore, our population has increased 83 per cent and our wheat production only 54 per cent. In a few years we will probably reach a stationary period in the production of wheat. Our best statisticians and those who have given the matter very great study believe that we can not, under present methods of farming, raise on an average more than about 700,000,000 bushels of wheat per annum. We will, of course, place some new lands under cultivation, but old lands which have heretofore been used for wheat raising must necessarily be used for other purposes.

Our per capita consumption of wheat is now about 6½ bushels. If our maximum production of wheat is 700,000,000 bushels it would supply the needs of 107,000,000 people, in round numbers. In other words, when our population is 107,000,000 wheat production and consumption will be equal. How long will that be? Two converging lines must sooner or later meet, and the period of time in which they will meet depends upon the velocity by which they are continued and the degree of their convergence. A glance at our population statistics shows that from 1880 to 1900 we increased 21 per cent. From 1900 to 1910 we increased 21 per cent. We may naturally assume that we will increase in the next 10 years at the same rate. This would be an increase of 2.1 per cent per year. The population in 1910 was, in round numbers, 92,000,000. Ninety-two million from 107,000,000 leaves 15,000,000. Two and one-tenth per cent of 92,000,000 is 1,932,000, the increase in one year. Dividing 15,000,000 by this average yearly increase, we have eight years. Therefore, at the present rate of increase in population and with an increase of our wheat production up to an average of 700,000,000, consumption and production will equal each other in 1918, or seven years hence.

In the year 1918, then, your crop will sell for the world's price, plus the tariff. If your tariff is 25 cents a bushel on wheat, you will receive 25 cents a bushel more than the world's price, and so of flax and barley, unless there should be a shortage in the world's supply. But if the tariff wall is broken down between this country and Canada the enormous Canadian surplus will certainly bring your production to the level of the world's price.

There, however, will be no danger of any food famine, because, first, there will be hundreds of millions of bushels on our border line seeking admission; and, second, whenever the price of our product will justify the expense of more intensive farming we can for a century at least keep up with our increasing home demand.

So, Mr. President, even though we were receiving no benefit from our present protective duties the future welfare of the farmers of wheat, barley, oats, and flax demands the maintenance of the present protective law. That, Mr. President, is what I have been praying for. I hoped to live to see the day when production of wheat in this country might be a little less than the home demand, just sufficiently less to give the farmer the full benefit of protection. I know that when that time arrives the farmer will be receiving a price for his product that will give him for his labor a value greater than he has ever received before, a value that will place him on a more equal earning plane with his brothers of the city.

This has been my doctrine, this has been my hope, this is what I have preached to the farmers of the Northwest, and as a representative of the farmer constituency, believing in the correctness of my doctrine and holding the convictions which I do, that the compensation for farm labor should be materially raised and not lowered, my moral duty is to vote against this treaty.

Even if we admitted that the American market is now no better than the Canadian market, still we must answer that as soon as consumption overtakes production in this country we will reap an advantage, and that advantage is what we have earned and what we have been promised as a compensation for our sacrifices for the general principle of protection during the last 40 years.

But, Mr. President, we are to-day and have for several years been receiving better prices in the Northwest for our cereals because of the protection accorded us.

And I come now directly to the question: Does the present tariff secure to the American farmer a price for his products greater than that which the Canadian receives, and greater than what he would receive without the duty, or is his price fixed by the export value of his product? Is it the home demand or the foreign demand that governs his values?

Mr. President, let me give one rule governing commercial values which I believe is most comprehensive and most nearly correct. That is this: The general level of the value of staple products, the common necessities of life, is governed by the world's supply and demand. But whether prices are above or below that level in particular sections of the world depends on many extraneous conditions, such as local supply and demand, freight, course of trade, and character of the particular staple produced. This general level of wheat prices, for instance, is not fixed by Liverpool, Hamburg, or Chicago. If the world's supply shows an overabundance it depresses the price everywhere. If there is a world's shortage every market in the world responds in a higher general level of prices.

But while this world's supply and demand affects the general level of values, it does not bring every market on the same level. If the demand in a particular section is greater than the product in that section its prices will be above the world's level of prices.

Mr. President, the error of many men who discuss this question is that they fail to take into consideration those secondary influences which often are of more value than the primary cause of supply and need.

When they consider the subject of wheat, they will say to us: We raised this year, say, 650,000,000 bushels of wheat; we need for home consumption 600,000,000 bushels; we therefore must export 50,000,000 bushels; and if that 50,000,000 bushels must compete with the world's markets, it fixes the price of the whole of the product of this year. With this simple and academic course of reasoning they close their investigation and refuse to be convinced of their error.

Let me illustrate how easily their philosophy may be shattered. In their mind's eye they see a great bin of American wheat holding 50,000,000 bushels, designated surplus. They never stop to ask where this bin is located, whether it is at New Orleans, San Francisco, or Minneapolis; they never ask what particular kind of grain makes up the bulk of this surplus; they never ask in what particular section is the bulk of this grain raised; they never ask where is the field of consumption for this particular kind of grain; they never stop to figure out whether the surplus of one kind of wheat raised in one particular section will affect the price of another kind of wheat raised in another section; they lose sight of the size of their country, and the particular territory which produces certain kinds of grain. It never occurs to them that there may be an insufficient supply of No. 1 northern wheat to meet the milling demand of one section and that the millers must mix all they dare of a softer wheat from another section to supply this deficiency; it never occurs to them that this 50,000,000 bushels of surplus is not in one bin located at one point, but in several large bins located hundreds and even thousands of miles apart, and also many smaller bins, each holding its particular species or grade of grain and representing the special product of a particular section with outlet only at a particular port; it never occurs to them that one bin may be located at San Francisco with its particular kind of soft wheat, one at Minneapolis with its No. 1 northern wheat, one at Chicago with its winter red, one at New Orleans with its turkey red. It never occurs to them that the course of transportation may prevent the surplus of one section being used to supply the deficiency of another section, and yet, Mr. President, every one of these factors must be considered in determining the effect of that surplus in different markets.

Now, suppose the San Francisco bin, which holds the surplus of what may be designated San Francisco territory, is full to overflowing and the Minneapolis surplus bin is empty, as it has been for about 10 years or more. Minneapolis can not get San Francisco wheat. Freight rates would amount to a prohibition. Nor would Minneapolis take San Francisco wheat if she could get it. It would not answer her milling purposes. She could not depend on the Chicago bin for it, because she can only use a certain per cent of the kind of wheat in the Chicago bin for

the grade of flour which she must make to maintain the standard of her product, a standard that has given her fame and wealth. The New Orleans bin, like the San Francisco bin, is out of the question, because of both the character of grain and freight rates. Thus you will see that while each one of those last-mentioned bins might have a discharge spout leading to some port of exportation, the Minneapolis consumptive demand might have for exportation none of the grain raised in Minnesota, North Dakota, South Dakota, parts of Iowa, Wisconsin, and Montana which she needs for milling purposes; and all of the grain raised in these States might have a value fixed by the home demand; and that demand might lift the price considerably above the price in Canada or in any other section which was obliged to seek the open world's field with its surplus.

Now, let me bring this theory home to you in concrete facts and figures.

I have here a table of comparative prices of the same grade of grain in Winnipeg and Minneapolis. Winnipeg quotations, which all grain men know to mean the price at elevators at Port Arthur and Fort William, are taken from the market reports at Winnipeg, and the Minneapolis quotations from the reports at Minneapolis. They have the same grade of grain, No. 1 northern, in both cities. But if you will examine into the requirements of the Winnipeg and Minneapolis grades of No. 1 northern you will see that Canadian No. 2 northern approximates our American No. 1. For instance, Canadian No. 1 northern requires 60 pounds to the bushel, Minneapolis No. 1 northern requires 58 pounds to the bushel, Winnipeg No. 2 requires 58 pounds to the bushel; and as there are generally about 3 cents spread between the No. 1 and No. 2 grades, you would obtain a closer comparative price if you would add 3 cents more to each bushel at Minneapolis as you go through this table. But as this is not generally known or understood, we use No. 1 northern as the basis of comparison in each instance.

The table referred to is as follows:

Comparative figures.
[Winnipeg 1 northern and Minneapolis 1 northern.]

Date. ¹	Winnipeg closing price 1 ² .	Minneapolis closing price 1 ³ .	Over or under.
1909.			
July 10.....	131½	130½	1½
July 17.....	131½	131½	0
July 24.....	125	126½	1½
July 31.....	119	132	13
Aug. 9.....	112	128	16
Aug. 14.....	110	143	33
Aug. 21.....	111	132½	21½
Aug. 28.....	97	99½	2½
Sept. 4.....	97	99½	2½
Sept. 11.....	98½	99½	1
Sept. 18.....	98	98½	½
Sept. 25.....	94½	100½	5½
Oct. 2.....	95½	100½	5½
Oct. 9.....	97½	101½	4
Oct. 16.....	98½	105½	7
Oct. 23.....	96½	104½	8½
Oct. 30.....	97½	105½	7½
Nov. 6.....	97	102½	5½
Nov. 13.....	97½	106½	8½
Nov. 20.....	98½	105½	7½
Nov. 27.....	99½	105½	6
Dec. 4.....	95	106½	11½
Dec. 11.....	96½	112½	16
Dec. 18.....	102½	114½	12½
Dec. 25.....	(²)		
1910.			
Jan. 1.....	(²)		
Jan. 8.....	105	115½	10½
Jan. 15.....	103½	113½	9½
Jan. 22.....	103½	114½	10½
Jan. 29.....	103½	113½	10
Feb. 5.....	101½	110½	9½
Feb. 12.....	102	(²)	
Feb. 19.....	102½	115	12½
Feb. 26.....	103	114½	11½
Mar. 5.....	102½	112½	10½
Mar. 12.....	104½	114½	10½
Mar. 19.....	105½	113½	8½
Mar. 26.....	105½	115½	10½
Apr. 2.....	105½	114½	9½
Apr. 9.....	104½	113½	8½
Apr. 16.....	101½	108½	6½
Apr. 23.....	101½	111	9½
Apr. 30.....	98½	109½	10½
May 7.....	(²)	113½	
May 14.....	98½	112½	13½
May 21.....	94½	109½	15½
May 28.....	88½	104½	15½
June 4.....	88½	105½	17½
June 11.....	89½	105	15½
June 18.....	91½	106½	15½
June 25.....	95½	112	16½
July 2.....	(²)	(²)	

¹ The day cited in each case is Saturday.

² Holiday.

Comparative figures—Continued.

Date. ¹	Winnipeg closing price 1 ¹ .	Minneapolis closing price 1 ¹ .	Over or under.
1910.			
July 9.....	108	120½	12½
July 16.....	116½	130	13½
July 23.....	116½	126	9½
July 30.....	108½	120½	12½
Aug. 6.....	108½	120½	12½
Aug. 13.....	111½	114½	1½
Aug. 20.....	108½	110½	3½
Aug. 27.....	108½	112½	4½
Sept. 3.....	105½	112½	7½
Sept. 10.....	102	111½	9½
Sept. 14.....	100	111½	11½
Sept. 24.....	101	112½	11½
Oct. 1.....	98½	109½	11½
Oct. 9.....	99	111½	12½
Oct. 15.....	97	107½	10½
Oct. 22.....	94½	104½	9½
Oct. 29.....	91½	102½	11
Nov. 5.....	90½	101½	11½
Nov. 12.....	91½	103½	12
Nov. 19.....	94½	104½	10½
Nov. 26.....	92½	102½	9½
Dec. 3.....	91	104½	13½
Dec. 10.....	89½	101½	12½
Dec. 17.....	90½	101½	11½
Dec. 24.....	(?)	103½	-----
Dec. 31.....	91½	103½	12½
1911.			
Jan. 7.....	93½	108½	14½
Jan. 14.....	95½	108½	12½
Jan. 21.....	94½	104½	10½
Jan. 28.....	94½	103½	9½

¹ The day cited in each case is Saturday.² Holiday.

Mr. McCUMBER. Mr. President, I want Senators to understand that I have given here the last Saturday of every month in every year for the years 1909, 1910, and a part of 1911, and that on every one of those dates throughout all of the time we could not have exported to Europe from the northern part of this country one bushel of grain of the kind that is enumerated in this table.

I start with July 10, 1909, when prices were nearly the same. The price in Winnipeg was \$1.31½ and in Minneapolis only \$1.30½. There was then an advantage in Winnipeg of a cent and a quarter a bushel. But that was due to speculation and a sort of cornering of the market. It immediately went down to its normal condition, and when we get along as far as July 31 the price was \$1.19 in Winnipeg and \$1.32 in Minneapolis; the next week, August 9, \$1.12 in Winnipeg and \$1.28 in Minneapolis—16 cents difference; August 14, \$1.10 in Winnipeg and \$1.43 in Minneapolis—33 cents difference.

Here was the same cause—speculation in the Minneapolis markets for a few days. The bulls had the better of it and forced the price of wheat up to much beyond the average difference between Minneapolis and Winnipeg.

Why is this great difference between Minneapolis and Fort William and Port Arthur prices? To reach water transportation Minneapolis grain must be shipped to Duluth. So far as transportation is concerned to European countries, Port Arthur and Duluth are situated about the same. The cost of transportation to European countries is practically the same, and yet Minneapolis and Duluth both pay uniformly higher prices than Winnipeg pays for grain of the same grade. This is not due to speculation or any great fluctuation caused thereby, because, as you will observe, the spread between the two places has for years been growing wider, and if you will look carefully you will note that our prices advance about in proportion as our general exports decline.

And there must be some trade condition which gives the American farmer better prices for his grade. If you will investigate this subject still further, you will find that Minneapolis has practically ceased to export our commercial grade. The testimony of Mr. Wilkins, from Minnesota, was to the effect that for about 12 or 15 years Minneapolis has not been exporting at all. Yet this is the greatest wheat market in the United States.

Mr. NELSON. Mr. President, will the Senator allow me?

The PRESIDING OFFICER (Mr. GALLINGER in the chair). Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. McCUMBER. Certainly.

Mr. NELSON. The Senator might add in that connection that Duluth for years has not exported any wheat to Europe.

Mr. McCUMBER. Not anything except a little macaroni and the poorest grades.

I tried to find out through Minneapolis wheat firms the cost of transportation from Minneapolis to Liverpool. I was surprised to find not one of the principal grain firms could give me the information. One firm which was also doing business in Duluth and which exported some grain—I think this was mostly macaroni or the lower grades of grain—was able to give me the approximate cost of transportation. But why is it that Minneapolis is not exporting and has not been exporting grain? There is just one answer. Because she has had to pay such prices in order to get the grain she needed for her flour mills that she has remained above an export basis. She is manufacturing a grade of flour for her American as well as her export business which she must maintain at her high standard of perfection. She must have all of the wheat of a certain kind raised in that section of the country for that purpose. In fact, she must have more than what is raised in the Minneapolis territory for that purpose, and she must therefore reach farther South and get another kind of grain which she can mix, sometimes as high as 30 per cent, I am informed, with her northern wheat without reducing the standard of her flour. Some of you still insist that Liverpool fixes our price. I have here another table, which I procured from the Bureau of Statistics of the Department of Agriculture, giving the range of cash price per bushel of No. 1 northern during each month of the years 1908, 1909, and 1910 in Minneapolis and Liverpool.

I am informed, and I think correctly, that the transportation from Minneapolis to Liverpool, including insurance, handling, and so forth, is from 15 to 16 cents per bushel; and as people are not engaged in buying and selling wheat for amusement, you can properly assume that the wheat would not be shipped from Minneapolis to Liverpool unless the dealer receives from 1 to 2 cents per bushel profit upon his risk and investment. Therefore, in order to be on an exporting basis, Minneapolis prices would have to be about 17 cents lower than Liverpool prices. If you will inspect the table, you will observe, taking averages, that during the year 1908 the average price of No. 1 northern in Minneapolis was \$1.11; the average price in Liverpool was \$1.25, or 14 cents difference—less than enough to pay the expense of transportation, and so forth. You will also find that the average price of No. 1 northern in Minneapolis in 1909 was \$1.20, while the average price in Liverpool was only \$1.29, a difference of only 9 cents. You will also find from the same table that the average price of No. 1 northern in Minneapolis during 1910 was \$1.14, and the average price in Liverpool was \$1.14, exactly the same in Minneapolis as in Liverpool; and yet some of you keep on insisting that Liverpool fixes our prices. There was not a single day, Mr. President, in those three years that Minneapolis could have shipped this grade of grain to Liverpool.

I will ask leave to introduce this table, from which Senators can see every month the average in both of those great markets. The PRESIDING OFFICER. Without objection, the request is granted.

The table referred to is as follows:

Range of cash prices, per bushel, of No. 1 northern.

Month.	Minneapolis.	Liverpool.
1908.		
January.....	\$1.05-\$1.14	\$1.27-\$1.32
February.....	1.01-1.10	1.19-1.26
March.....	1.03-1.11	1.18-1.23
April.....	.98-1.08	1.21-1.26
May.....	1.06-1.11	1.25-1.23
June.....	1.05-1.10	1.19-1.22
July.....	1.07-1.21	1.19-1.21
August.....	.99-1.25	1.26
September.....	1.00-1.05	1.25-1.27
October.....	1.02-1.05	1.18-1.22
November.....	1.04-1.08	1.18-1.20
December.....	1.06-1.12	1.17-1.20
Average.....	1.11	1.25
1909.		
January.....	1.07-1.11	1.19-1.20
February.....	1.10-1.16	1.22-1.27
March.....	1.12-1.17	1.27-1.31
April.....	1.18-1.29	1.32-1.41
May.....	1.27-1.35	1.33-1.41
June.....	1.28-1.38	1.38-1.39
July.....	1.23-1.35	-----
August.....	.97-1.44	1.32-1.32
September.....	.97-1.01	1.30-1.32
October.....	.99-1.06	1.16-1.19
November.....	1.01-1.07	1.17-1.20
December.....	1.05-1.15	1.19-1.21
Average.....	1.20	1.29

Range of cash prices, per bushel, of No. 1 northern—Continued.

Month.	Minneapolis.	Liverpool.
1910.		
January.....	\$1.10-\$1.16	\$1.22-\$1.24
February.....	1.10-1.16	1.20-1.23
March.....	1.12-1.16	1.19-1.22
April.....	1.06-1.16	1.18-1.23
May.....	1.03-1.14	1.09-1.14
June.....	1.02-1.17	1.02-1.10
July.....	1.13-1.29	1.10-1.27
August.....	1.09-1.23	1.21-1.25
September.....	1.09-1.15	1.19-1.24
October.....	1.02-1.12	1.14-1.19
November.....	.99-1.07	1.07-1.11
December.....	1.00-1.06	1.07-1.09
Average.....	1.14	1.14

These figures are taken from statistics compiled by the Bureau of Statistics of the Department of Agriculture.
All fractions are omitted.

Mr. McCUMBER. Now, if you will compare this table with the previous table referred to, you will find about the same relation between Minneapolis and Liverpool prices that you find between Minneapolis and Port Arthur. It demonstrates conclusively that while Port Arthur must pay for her grain Liverpool prices, less transportation, insurance commissions, profits, and so forth, because of her very heavy exports, Minneapolis does not pay for grain on the basis of an export price, but on the basis of home consumption and demand.

I might add that Chicago for most of the year is in exactly the same condition.

Now, Mr. President, if you will look further into this question of northwestern products, her home consumption and her exportation, you will again find evidence of the importance of home consumption. We do raise a wheat in that section which we are compelled to export, namely, macaroni. The demand of this country for macaroni wheat is not large. I am informed that this wheat is nearly all exported. It must therefore sell on an export basis. And I have known the difference in price between that kind of wheat and No. 1 northern to run from 15 cents to 30 cents per bushel. The value of macaroni was fixed by the foreign demand; the value of No. 1 northern was fixed by the home demand. That is why our northwestern farmers are receiving a price for their product very much in excess of the value of the Canadian product.

Now, does this benefit of higher prices accrue to the other wheat raisers in the country, or is it limited to the wheat raisers of the Northwestern States?

Mr. President, the application of this same law of supply and demand will answer this question. Using the bin illustration again: The price of the Chicago grain will be higher or lower than what we call the world's level in prices just to the extent that her surplus bin is full to overflowing, partially full, or empty. Prices will be depressed or enlivened according to whether the supply of grain in that market is great, medium, or below the demand. Well, then, supposing there is a surplus in the Chicago bin. Will it not follow that any condition which will reduce that surplus will enhance its value?

What is one of the principal factors that will reduce that surplus? It is the demand of the Minneapolis mills for more wheat than their territory will supply—that is, for more wheat of the kind they can use for their standard of flour. Durum wheat, for instance, can not be used. But the millers can use a percentage of other grades of grain. Nearly every year Minneapolis draws from the Chicago territory some wheat which can be mixed with northern wheat. This lowers the surplus; this enhances the value of all of the grain in the Chicago territory. If the Minneapolis millers could get this No. 1 northern wheat or No. 1 hard wheat free from Canada, which is within her territory, do you suppose for a moment she would go into the Chicago territory for a grain which she dare not use beyond a certain percentage? Thus not only are the border State farmers benefited, but every other grain State is to some extent benefited by a maintenance of the tariff law; and all would suffer, but not in the same degree, if that wall is leveled.

Every farmer knows the depressing price on wheat when there is an enormous corn surplus, and every corn producer understands the depressing price on corn when there is an enormous wheat surplus. You can not injure one of these industries without to some extent injuring the other industries.

ACCOUNTING FOR DIFFERENCES IN GRAIN PRICES.

Finding these American prices so universally and persistently higher on the American than on the Canadian side, those Senators and others who feel the need of some plausible excuse for voting for a proposition which will bring all those prices to the same level have sought in every way to demonstrate that these differences were due to some other cause than protection. They have tried to show that there were equivalent differences between the prices of wheat in our own different grain markets. They have failed in every instance. When investigated it would be found that these differences in our own markets were transitory and that they were due either to erroneous comparison of different kinds of grain or to speculation, the temporary cornering or overloading of markets or a difference in freight rates between those markets, whereas the difference between the Canadian and American markets was permanent, and towns on the two sides of the border line situated the same, with rates of transportation to the seaboard the same, showed from 10 to 15 cents a bushel on wheat, from 20 to 30 cents a bushel on barley, and from 25 to 30 cents a bushel on flax, in favor of the American farmer, and that other great wheat centers having exactly the same facilities to reach foreign markets showed the same advantage to the American farmer.

I will again use a table which I used in a previous discussion on the subject. This is a new Congress, with many new Senators. After this reciprocity treaty had been made public I wired to obtain the prices of grain on both sides of the border line between Canada and North Dakota, in towns where freight rates would be the same. I will have printed here a table showing the prices on wheat and barley, so far as I received them, in those towns, showing their location and the distance between them. Now, what was shown in reference to these prices on the dates mentioned in this table has been substantially true for a good many years.

Comparative prices of wheat and barley in United States and Canada.

Dates.	Kind of grain.	Name of town in United States.	Price per bushel.	Name of town in Canada.	Price per bushel.	Difference in price.	Distance apart.	Tariff per bushel.
Dec. 31, 1910.....	Wheat..	Kermit.....	\$0.90	Estevan.....	\$0.76	\$0.14	15 miles apart.....	\$0.25
Jan. 10, 1911.....	do.....	Pembina.....	.97	Emerson.....	.82	.15	4 miles apart.....	.25
Do.....	do.....	Neché.....	.96	Gretina.....	.81	.15	2 miles apart.....	.25
Dec. 31, 1910.....	do.....	Portal.....	.90	North Portal.....	.75	.15	Just across line.....	.25
Jan. 11, 1911.....	do.....	Walhalla.....	.96	Haskett.....	.83	.13	6 miles apart.....	.25
Dec. 31, 1910.....	do.....	St. John.....	.91	Boissevan.....	.81	.10	15 miles apart.....	.25
Do.....	do.....	Hannah.....	.90	Snowflake.....	.77	.13	4 miles apart.....	.25
Do.....	do.....	Neché.....	.91	Gretina.....	.81	.10	2 miles apart.....	.25
Do.....	do.....	Sarles.....	.89	Clearwater.....	.75	.14	Just across the line.....	.25
Jan. 10, 1911.....	do.....	Westhope.....	1.00	Colter.....	.85	.15	15 miles apart.....	.25
Do.....	do.....	do.....	1.00	Lyleton.....	.84	.16	20 miles apart.....	.25
Do.....	do.....	do.....	1.00	Malita.....	.86	.14	30 miles apart.....	.25
Do.....	do.....	St. John.....	.96	Boissevan.....	.86	.10	15 miles apart.....	.25
Do.....	do.....	Hansboro.....	.90	Cartwright.....	.77	.13	8 miles apart.....	.25
Dec. 31, 1910.....	do.....	Antler.....	.91	Lyleton.....	.78	.13	5 miles apart.....	.25
Jan. 10, 1911.....	do.....	Portal.....	.92	Boscunvis.....	.75	.17	15 miles apart.....	.25
Do.....	Barley..	Pembina.....	.67	Emerson.....	.42	.25	4 miles apart.....	.30
Do.....	do.....	Neché.....	.68	Gretina.....	.38	.28	2 miles apart.....	.30
Do.....	do.....	St. John.....	.66					

To understand this table I call attention to the map on the wall. You will see there the Great Northern line in red in the northern parts of the States of Minnesota, North Dakota, and Montana. You will see the great number of feeders run-

ning up to the Canadian line on the North Dakota side, with little towns marked in black. You will see the Canadian Pacific Railroad paralleling the northern part of the line, with little Canadian towns marked in red coloring. You will notice

one town exactly on the line, which is Portal and North Portal, that is divided only by a street, with the British flag flying on one side and the American flag flying upon the other.

The freight rates at those points on the Canadian Pacific and on the American side are the same. They are within the same territory, and the grain from one can be brought in bond across the American Continent exactly the same as the other and without the payment of any tariff. But that which you bring in bond you have got to export. That which you do not bring in bond you can sell in this country, and that which you do not have to export you sell at from 10 to 15 cents on wheat and from 20 to 30 cents on barley and from 25 to 30 cents on flax higher than that which you are compelled to export.

Now, I will just call attention to a few of these differences. I will take Kermit wheat. That is in the United States. The price is 90 cents a bushel. At Estevan the price is 76 cents a bushel. The towns are 15 miles apart and there is a difference of 14 cents. I will take the next one—Pembina, United States—price, 97 cents. At Emerson, Manitoba, 4 miles from there, 82 cents, a difference of 15 cents a bushel. I will take Portal, American side, 90 cents; North Portal, on the Canadian side, 75 cents; a difference of 15 cents a bushel and only across the line.

There is no use in running through all these figures, because you can get the information from the table, but you will find that there is, on an average, a difference of about 14 cents a bushel on wheat. I will just quote one or two on barley. Pembina, 67 cents; Emerson, 42 cents; a difference of 25 cents a bushel in our favor and only 4 miles apart. Neche, 66 cents; Gretna, 38 cents; only 2 miles apart and a difference of 28 cents a bushel in our favor.

What is true of the difference in prices of substantially the same grade of grain between the little towns on the border line of North Dakota and Canada is equally true of the difference in prices at the great terminals in Canada and in the United States, as I have shown by the first table which I discussed.

If you look further on the map there you will see Duluth on the lake on the United States side and Port Arthur, or Fort William, I do not remember which, because they are close together, on the northern side of the lake. Both of them can send their grain through the same canal, and at exactly the same rate, to the Old World.

The reports contained in that table dealt with cash prices—the sale of actual wheat and not the sale of futures. I understand that other tables have been published differing from these. I have not read it, but I understand the Senator from Missouri [Mr. STONE] introduced a table that did not agree with these. Such other tables, I think, do not refer to cash wheat, but to wheat for future deliveries. They are simply speculative. The price of the cash wheat is the basis on which the farmer is paid. To illustrate: On April 16, 1911, Minneapolis May closed at 97½ cents; Winnipeg May closed at 93½ cents, a difference of 3½ cents; but the best No. 1 northern cash wheat in Minneapolis closed at \$1.01, while the same wheat closed in Winnipeg at 92½ cents, a difference of 8½ cents. I call special attention to this, so that you will not be misled by quotations on futures or gambling contracts, as most of them are. This shows absolutely what we contend—that the home demand in this country causes the miller to bid up to get the cash wheat, while the home demand in Canada or any country whose surplus is so large that it must be sold abroad will place cash wheat at a discount under the future equal to the cost of storage, interest, and insurance (except where the future is a new-crop option). So if we always base our figures on the cash No. 1 northern wheat in the two markets, we will get the real difference to the farmer.

This table showing the marked advantage of the American over the Canadian market can not be explained away on any possible hypothesis other than that of the protection accorded under present tariff law. The table which I heretofore introduced showing the comparative prices between Minneapolis and Liverpool explains the whole thing. For three years we have not been on an exporting basis. I have reference to the Minneapolis and northwestern market, which I have termed the Minneapolis territory.

Mr. President, the insistence of those who have not or will not investigate the real cause of the difference between American and Canadian prices on grain, that we either do not have that difference or that it is due to some other cause, justifies me in quoting some of the testimony introduced in the hearings of the Finance Committee on this subject.

Mr. Lyon, of South Dakota, says:

For more than five years past the price of northern wheat at Minneapolis has averaged from 5 to 15 cents per bushel more than at Winnipeg. The price at Winnipeg, as you all know, is based upon delivery

at Fort William port. From July 10, 1909, to January 28, 1911, the price of northern wheat at Minneapolis averaged 10½ cents per bushel more than at Winnipeg.

That is practically the same as shown by the figures which I have given, if you will add them up; I make it 10½ cents, while he calls it 10½ cents.

The expense of shipment from Minneapolis to Duluth is approximately 1½ cents per bushel, thus making a difference of about 12 cents per bushel between the prices at Duluth and Fort William, on opposite sides of the international line at the head of Lake Superior, and with equal freights to Liverpool. Can anything show more clearly that the price of our wheat is not determined by the Liverpool market, as has been repeatedly stated by the President? Not only that, but the Winnipeg grade is higher and the weight 2 pounds greater per bushel, and by reason of its better quality and higher grade the Winnipeg wheat sells at from 3 to 5 cents per bushel higher than our northern wheat whenever they meet in the same market—

But from 10 to 15 cents a bushel when they meet in the American market—

There was therefore an average actual difference in the price of wheat for the 18 months immediately preceding the negotiation of this treaty of more than 15 cents a bushel in favor of the American farmer. The average price paid for barley at Portal, N. Dak., on January 9 and 10, 1911, was 63 cents; at North Portal, just over the Canadian line, the price was 35 cents a bushel, a difference in our favor of 28 cents a bushel. At the same time there was an average difference in our favor of about 25 cents a bushel in the price of flax.

Mr. Lyon, of South Dakota, says further:

With oats we have at present little if any advantage in the price, for the reason that our yield last year was about 125,000,000 bushels greater than the year before, thus making it necessary to export a considerable portion of our crop and thereby necessarily reducing the price to the world's level. In 1909, for a considerable portion of the year, our price of oats averaged considerably higher than the Canadian price, and more than 900,000 bushels were imported from Canada, paying a duty of 15 cents a bushel.

Mr. Wilkinson, of Minnesota, says:

This idea of Liverpool controlling the market has gone out of date in the last few years and we have got a market of our own that we have built up for ourselves, and now we are trying to defend it. The fact is that the wheat for the last five years, though the contrast has been greater in the latter three years, has averaged from 5 to 15 cents a bushel more in Duluth than in Winnipeg.

And, further, he says:

The better grade of wheat has to bring up the lower price at the other side of the line, because their market is the export market of Great Britain; our wheat not being quite as good, but worth intrinsically from 3 to 4 cents per bushel less, will sell from 5 to 15 cents per bushel more on this side of the line at practically the same market points, with practically the same facilities to get it to the markets of the country as the other, because we have built up that home market for our products. That is the reason our northwestern wheat is worth to us more money than it is in Liverpool.

Again, he says:

I make this statement, and I want to be clearly understood, that the value of the wheat of Canada, at Port Arthur, has been based on what it would bring on the British market in Liverpool. I make this further statement, that the Duluth market has averaged from 5 to 15 cents per bushel during that five years more for our No. 1 northern at Duluth than the Canadian No. 1 northern has brought at Port Arthur. You can not get away from that fact.

He further says:

These facts themselves prove that we have in the Northwestern States a home market for our wheat, and we claim that it is because the system of protection has built up the factories of this country, enlarged the manufacturing industries, enlarged its consuming capacity, and that we look for that home market in helping you to build up and maintain the system of protection.

Mr. Devine, of North Dakota, in his testimony says:

Flax was sold at Portal during the month of December, on the Canadian side, at \$1.89; on the American side at \$2.34. I might say now, because Portal is a town just beyond where I live, that my barley on the Canadian side sold for 33 cents for that month. On the American side it sold for 65 cents—32 cents difference. Wheat for that month of this year sold on the Canadian side for 74 cents; on the American side for 99 cents—25 cents difference.

Mr. Kingman, of North Dakota, says:

It is a fact that we have had and are having to-day a premium on our wheat over Canadian wheat of approximately 10 cents a bushel. It has been lower than that in the last six or seven years, and it has been higher, but our wheat has averaged in the last six or seven years about 10 cents over the Canadian price.

Mr. HITCHCOCK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Nebraska?

Mr. McCUMBER. With pleasure.

Mr. HITCHCOCK. I would like to ask the Senator whether it happens sometimes that the price of wheat in Minneapolis is higher than the price of wheat in Chicago?

Mr. McCUMBER. Oh, yes.

Mr. HITCHCOCK. How does the Senator account for that?

Mr. McCUMBER. The Senator has not been here all the time that I have been discussing that question, and I have gone thoroughly into it.

Mr. HITCHCOCK. I have listened to the Senator's argument to the effect that the tariff is responsible for the fact that Minneapolis wheat is higher than wheat across the line in Canada. Now, I should like to ask him how he accounts for

the fact that wheat in Minneapolis is frequently higher than it is in Chicago under the same tariff?

Mr. McCUMBER. I discussed that question, spending nearly an hour on it; but I will state again that prices fluctuate according to speculation and according to the surplus that happens to be in each section of the United States. A certain section of the United States may have within its territory a surplus of grain above its consumptive demand which must go to the foreign market. Another section of the country may not have a surplus, but a deficiency of what is necessary in its own section, and therefore may bid up. Minneapolis is a great home-demand section. She needs more wheat than she can get of the grade that she uses for milling in her territory. She can not go into San Francisco territory on account of freight rates; she can not go into what might be denominated St. Louis or New Orleans territory, both on account of freight rates and on account of the kind of grain that they raise down there. She may go into a portion of the Chicago territory and draw from that, to some extent, at certain times, and that will send the Chicago price up. If she does not go into that territory, the Chicago prices may be down; but, independent of that, comes great speculation, which will corner the market and send it up at one time in one section and then in another, and then overload and drive it down. What I have been speaking about has been the general course of cash wheat—not speculative wheat—at the great markets, day in and day out, and I have shown the general condition of a much higher price, even in Chicago, and a still greater price in Duluth and Minneapolis than in any of the territory of Canada.

Mr. HITCHCOCK. So that when the farmer is compelled to accept 93 cents for his wheat in Chicago whereas he might receive \$1.07 for his wheat in Minneapolis, that difference is not due to the tariff, and, if that difference is not due to the tariff, why is the difference between the price in Minneapolis and at some point in Canada due to the tariff?

Mr. McCUMBER. The Senator has got the wrong table. I think, first, he will find it is not the same grade of wheat, and that makes all the difference in the world.

Mr. HITCHCOCK. I have here the figures.

Mr. McCUMBER. As I have stated in the discussion of this matter, you have got to consider the kind of grain in the several markets. I am not saying the Senator has not any table, but you have got to take the same kind of grain, and I have seen one table which dealt with an entirely different kind of grain. Chicago grade No. 2 red has no relation whatever to Minneapolis grade No. 2 northern. They sell for different purposes; they are used for the manufacture of different kinds of flour. One is exported and the other is not exported.

Mr. HITCHCOCK. Do those two cities deal in the same kind of wheat?

Mr. McCUMBER. On the whole, I will say no. There is very little of what we call No. 2 northern that goes into the Chicago market, but it is not enough to be taken into consideration.

Mr. HITCHCOCK. Let me ask the Senator whether Canada deals in the same wheat that Chicago does?

Mr. McCUMBER. No; Canada has the same kind that Minneapolis has.

Mr. HITCHCOCK. Then the tariff is being adjusted simply for the benefit of farmers who deal on the Minneapolis market?

Mr. McCUMBER. The Senator was not present when I showed that Chicago got a benefit as well as other places. If I felt that I would be justified in going over my remarks again, I would convince the Senator of the truth of the statement that when the markets go up in one section of the country, in Minneapolis for instance, and on account of a scarcity of No. 1 northern wheat, she has got to reach down into the Chicago territory and take a whole lot of Chicago grain that otherwise would have to go into a foreign market. By reducing the surplus in the Chicago market she necessarily raises the price in the Chicago market because of the commercial rule that the smaller the surplus the greater the price per unit.

Mr. LA FOLLETTE. She would not go to Chicago if she could go to Canada.

Mr. McCUMBER. No; she would not go to Chicago if she could go to Canada for two reasons, first, Canada is in what may be called Minneapolis territory, and, second, Canada has the particular kind of grain Minneapolis requires for her flour, and Chicago has not the kind of grain she prefers.

Mr. MARTINE of New Jersey. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Jersey?

Mr. McCUMBER. Certainly.

Mr. MARTINE of New Jersey. I want to see if I understand the Senator from North Dakota correctly. Do I understand

him to say that he has been preaching to the farmers for years that they have not received their share of the country's prosperity?

Mr. McCUMBER. The Senator has understood me correctly.

Mr. MARTINE of New Jersey. Well, then, I want to ask the Senator in all seriousness whose fault was it? Was there not in vogue in North Dakota and in the country at large a policy of Republican protective tariff? If protective tariff was the thing to elevate mankind to prosperity and happiness, then, pray God, why is it that the farmers have not received it?

Mr. McCUMBER. I will tell the Senator why. It was simply because we had more land, more acres to seed and raised more crops than the American people could consume, and we had to sell our products abroad in competition with the world's supply.

Mr. MARTINE of New Jersey. Well, then—

Mr. McCUMBER. Just a moment. That is only half of it. We increased the home consumption, and we reduced the surplus, just as the protective tariff gave a better demand for our manufactured products at home, just as it bulled up our cities and increased the consuming public in this country. Therefore the two go hand in hand. I say to the farmers, first, the price of your grain is, under the ordinary conditions of a great surplus, fixed by the foreign demand. Reduce that surplus by any economic condition and it will increase the price. That is so complete an answer, Mr. President, that I do not need to go over it again.

Mr. MARTINE of New Jersey. I have only to say—

The PRESIDING OFFICER. The Senator from New Jersey will please address the Chair. Does the Senator from North Dakota yield further?

Mr. McCUMBER. Certainly.

Mr. MARTINE of New Jersey. Mr. President, I have only to say that that specious argument has failed to put bread in the mouths of the people. I insist, sir, that continuously that has been the argument of Republican politicians on the stump. Where it was needed their argument was that high prices would advance the farmers' welfare, and where it was thought that low prices were desirable, your same policy of protection has been advanced. The farmers have listened long years to the specious theories of the distinguished Senator. We admit with you that we have not had our share of prosperity; we have tried your remedy, and it has failed; and so we are unwilling to believe to-day that a process of taxation will make us better off. The hateful and horrid and dishonest policy—

Mr. McCUMBER. I do not yield for a speech.

Mr. MARTINE of New Jersey. Of trying to make the farmer and the average citizen believe that he may grow rich by taxing himself is too fallacious to be listened to.

Mr. McCUMBER. Ah, Mr. President, the Senator will never make the farmer believe that fallacious talk. You gave us a dose of your doctrine from 1894 to 1897. The farmer got his lesson, Mr. President, and he does not want another lesson of that kind.

Mr. MARTINE of New Jersey. Let me say—

The PRESIDING OFFICER. The Senator from New Jersey will please address the chair.

Mr. McCUMBER. I will yield to the Senator from New Jersey to make his argument when I get through. I will yield now for any question, but not for the purpose of argument.

Mr. MARTINE of New Jersey. I will have the opportunity then anyway.

Mr. McCUMBER. I will yield for any question, but not for an argument.

Our farmers have been getting the benefit of their protection in the last three or four years. They did not get the benefit of it during the years 1894 to 1897. Instead they then got the benefit of a nearly free-trade doctrine. And they got all they wanted of it.

Mr. MARTINE of New Jersey. Will the Senator answer me?

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from New Jersey?

Mr. McCUMBER. I will yield for a question, but not for a speech.

Mr. MARTINE of New Jersey. When the Senator says the benefit, I desire to ask him how it is, if the farmers were so benefited, that throughout the great eastern section of these United States we know to-day of abandoned farms under your protective policy?

Mr. McCUMBER. That has been answered several times here.

Mr. MARTINE of New Jersey. Well, it will bear answering again.

Mr. McCUMBER. The only difference is that the Senator now wants us to abandon the rest of our farms and go over into

Canada and develop theirs, and we will not do it until we are compelled to.

Mr. MARTINE of New Jersey. That is not answering the question.

Mr. McCUMBER. I will go on with the testimony of Mr. Twitchell.

I first want to establish the fact that we are getting a benefit, and I will establish it even at the expense of being tedious, so that no Senator can get around the fact that we are being protected.

Mr. Twitchell, of North Dakota, says:

So far as the barley crop is concerned, since we have sufficient protection on the barley to give the American market to its farmer, we have been able to raise in Wisconsin, Minnesota, Idaho, North and South Dakota approximately 100,000,000 bushels of barley. This year the American farmer has been receiving approximately the difference in the tariff of about 27 cents. We have been able to get for barley for the last five or six years, in my judgment, possibly 15 cents a bushel more than we would if we had competition with Canada.

Now, Mr. President, I want to close the argument on this one proposition.

EVIDENCE OF GRAIN EXCHANGES.

Mr. President, the supporters of the Canadian reciprocity agreement may flounder as much as they see fit in their sea of trouble around this eternal rock of fact that our tariff duties give us the protection which we claim upon the northwestern cereals. There are few men, indeed, who know the grain business at the great terminals better than those who have for many years been engaged in it. And if we wanted any further evidence of the fact that the present protective tariffs do give us a very material protection and very materially enhances the value of our wheat, barley, and flax than the daily reports of those great grain markets in both the United States and Canada, we shall find cumulative evidence in the reports from the exchanges as to the reasons for any sudden decline or advance in prices. In my previous address on this subject I called attention to the influence of this agreement and the possibilities of its adoption in depressing our prices. I want again to impress that fact on the Senate.

On the 7th day of January there was 14 cents difference between Winnipeg and Minneapolis closing prices. On the 14th there was a difference of 13 cents in our favor. On the 28th, after we had a report of the effect of this reciprocity agreement and its likelihood to pass that Congress, Winnipeg grain went up 1½ cents and Minneapolis grain went down 5 cents. So the single fact that this agreement had been reported to the Congress of the United States reduced the price of our wheat 5 cents per bushel and increased Winnipeg 1½ cents.

Let us read the exchange reports and see if this reported agreement was the real and only cause for this decline and the general decline in our prices since it was reported.

This is very important to anyone who is conscientiously trying to get the truth of the affair.

The report of February 11, 1911, from the Minneapolis Chamber of Commerce, published in the Minneapolis Journal, says:

The bottom broke out of the wheat market late this week, and prices suffered the worst decline in several months. Early prices registered moderate declines, and this was followed by a moderate reaction. Both May and July closed Saturday below the dollar mark. This severe break was caused principally by the developments favorable to the adoption of reciprocity with Canada.

Mr. President, those people who are buying and selling wheat know that the difference between the Canadian and the United States prices is nothing more or less than a difference caused by the tariff duties, and they know if we strike off those duties the value of all our wheat must come down; and, anticipating that the agreement was likely to become a law, prices did go down.

Again, the same report says:

On Friday and Saturday prices suffered the sharpest break in several weeks. May sold down to 98½ cents, the lowest price for this contract since August, 1909. The near month fluctuated in a range of 4½ cents for the week, and the same contract in Chicago showed a difference of 5½ cents. It was thought that reciprocity with Canada would have a more depressing effect on the price of Minneapolis wheat than Chicago, because of the geographic situation. The price fluctuations of this week seemed to confirm this theory.

Why does it affect Minneapolis more than Chicago? Because the Canadian wheat is within the Minneapolis territory. Minneapolis would be its natural market. It would come over and glut the Minneapolis market before any of it would go into the Chicago market. That is why it affected Minneapolis more than Chicago.

Again, the same publication says:

European countries are being offered wheat at prices that would not be profitable for Americans to export. The decline of this week has put the United States nearer an export basis, but still further declines will be necessary to allow this country to enter the European market with any profit.

Have those chamber of commerce reports no evidential force to those Senators who are still talking about Liverpool prices fixing American prices? In our sections of the country grain prices must decline still more before we can enter the European markets.

Again, the same dispatch says:

Many of the local trade were predicting that domestic prices would decline until this country was on an export basis.

If that does not mean that this country was not on an export basis for the kind of grain we raise in the Northwest, then I am at a loss to understand what it does mean.

Has the possibility or probability of Canadian reciprocity affected the price of our barley?

Berger Crittendon Co., commission men of Milwaukee, speaking of barley in the early part of February, in their reports say:

The market was dull as ever, with only a few cars of Wisconsin sold. Outside of this a few cars of Minnesota were sold, whereas all the other cars carried over for the last three or four days were again carried over to-day, maltsters and brewers still holding back. We naturally have to wait developments.

What developments? Why, the developments of the Canadian reciprocity agreement.

Here is another, from Mohr-Holstein Commission Co., of Milwaukee:

Our market is perfectly lifeless—nothing doing. Not many of our maltsters would make a bid on anything to-day. It certainly does not look at all encouraging to us. The trade here feels bearish on account of the reciprocity treaty with Canada. It is very evident that the brewers are in a waiting mood and that purchases of malt are confined to what is absolutely necessary to carry on business. The uncertainty which exists in the mind of the trade in regard to the Canadian reciprocity treaty and the possibility of its ratification has created a bearish sentiment, and the trade in general is disposed to await further development before supporting the market with buying orders.

On February 9 barley was selling at 49 cents in Winnipeg; top grades in Minneapolis and Duluth, 84 cents; Chicago and Milwaukee, 86 cents. With that difference between Winnipeg, Minneapolis, Duluth, and Milwaukee, is it any wonder that maltsters and brewers were awaiting the fate of the reciprocity agreement before touching the American barley and that they were using only what they were compelled to use? And can there be any question in the mind of any sane man that with our tariff taken off our prices would be naturally lower?

Here is another article, printed in the Minneapolis Journal in its report from the grain exchange the day after Congress adjourned last session without passing the reciprocity agreement:

This becomes most important. The previous articles showed that prices declined because of the prospect of the reciprocity bill passing at the last session of Congress. This one shows that prices rebounded as soon as Congress adjourned without passing the reciprocity agreement. Here is the quotation—and remember this is from the exchanges and gives their sentiments and reasons:

Wheat prices soared up to heights to-day that the market has not seen in over two weeks. The advantage in the near month of 2½ and 2¾ cents was the biggest upward daily jump wheat has taken in months. The adjournment of the United States Senate without acting on the McCall bill was the cause of the sharp advance. The market declined 15½ cents, largely on the prospects that the reciprocity treaty might be adopted.

Think of this, Senators. This is from your exchanges. Since we proclaimed this reciprocity agreement our wheat has declined on an average 15½ cents a bushel. Do you know what that means to the Northwest? North Dakota, Minnesota, and South Dakota have raised in a single year for sale about 200,000,000 bushels of wheat. What does 15 cents a bushel on the wheat that they would sell mean? It means \$30,000,000 loss to those three States in a single year; and yet you are telling us that we will not suffer any by putting our price down to the Canadian price.

Proceeding further with this:

Now that this bill is temporarily disposed of—

I am quoting now from the exchange—

Now that this bill is temporarily disposed of, it was only natural that wheat should take a sharp upturn. The local mills were good buyers of wheat in the pit, and the former cash market made the future strong also. Shorts were forced to cover and there was some speculative buying on the news from Washington.

That is published in a paper day after day in Minneapolis, which is booming reciprocity and yet showing to its readers by every publication the loss that the people of Minnesota and North and South Dakota will suffer by reason of this reciprocity agreement.

Mr. KENYON. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Iowa?

Mr. McCUMBER. Certainly.

Mr. KENYON. I desire to ask a question in the best of faith.

Mr. McCUMBER. I know the Senator would ask it in no other way.

Mr. KENYON. In the reduction of prices, as the Senator has stated, was there any reduction in the price of flour, of breadstuffs?

Mr. McCUMBER. I understand that there has been a very trifling reduction, but none in breadstuffs.

In the face of the indisputable evidence of figures and the reports from the floor of the grain exchanges, can any man honestly deny that this reciprocity agreement, if enacted into law, will materially reduce our grain value?

Mr. President, I do not think there is a single person who has heard or read the testimony who will not agree that the present rates of tariff have been a great protection to the agricultural producers of the Northwest. And if they vote to support this measure they must justify themselves on some other ground than that their vote will not be an injury to all of the northwestern farmers.

BOYLE.

These conditions have remained so long and so steadfast that they could not be accounted for on theory of speculation. These comparative prices were so many irrefutable facts that protection did protect. They would not get out of the path of the reciprocity advocates who tried to show that protection did not protect. So those advocates had to at least make some effort to reconcile them with their declarations. And so they brought from my State Prof. Boyle, who, with his lance of political science, was to clear the track of argument of these disagreeable facts.

Prof. Boyle was modest. He had evidently been brought face to face with those facts before. They had confronted and confounded his philosophy, and he had not been able to explain them away even satisfactorily to himself. And he therefore admitted that his explanation for them might not quite satisfy others. But he was courageous and willing to take the chance. His argument was that several years ago the Province of Manitoba enacted a law prohibiting the dealing in grain futures. Prior to that time the dealer who purchased grain from the farmer could sell his product the same day at the price on that day, to be delivered at some future time. This enabled him to hedge against loss. It operated as an insurance against subsequent fluctuations in the market.

But when this prohibitory law was enacted and the dealer could not sell futures, in order to be perfectly safe he was compelled to pay the farmer less than he otherwise would; he was compelled to make his profits so much larger; and that this accounted for the difference of from 10 to 15 cents per bushel in the American and Canadian prices during the last two or three years.

Of course, anyone who knows anything about grain dealing could see the weakness of this argument. There were two great reasons why the argument did not prove the premises—first, because it could not account for so great a difference, if it had been true; and, second, because it was not true.

Under ordinary conditions there would be no reason for hedging. The market was just as liable to advance as to go down. By the law of chance he would break even. But, assuming that he did not want to take that chance, 1 or 2 cents a bushel in his favor would certainly have been a sufficient insurance, whereas, according to the theory of Mr. Boyle, it was necessary for him to take from 10 to 15 cents a bushel. His argument to those having even a limited knowledge of grain dealing would be its own refutation.

But Mr. Boyle's testimony and his philosophy were based upon an erroneous assumption. There has never been any law in Canada prohibiting the sale of grain to arrive. No sooner had his testimony been given than all of the witnesses from North Dakota informed me that it could not be so. But to be absolutely certain, Mr. HELGESEN, Representative from our State, wired to Winnipeg for the information, and received in response from the secretary of the grain exchange the following telegram:

WINNIPEG, MANITOBA, May 22, 1911.

H. T. HELGESEN,
Member of Congress, Washington, D. C.:

Country elevators here sell daily purchases as hedge as a regular thing. No law preventing it. Exchange floor business here practically same as Minneapolis.

WINNIPEG GRAIN EXCHANGE.

The testimony of Mr. Boyle, of course, was published in all the reciprocity papers as an explanation of why there was this difference between the Canadian and American markets. But when it was read in Winnipeg it called for immediate refutation.

The following editorial from the Manitoba Free Press of Saturday, May 27, does not leave even a shadow of the argument of Mr. Boyle.

I will ask the Secretary to read this editorial for me.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Secretary read as follows:

[From the Manitoba Free Press, Winnipeg, Canada, Saturday, May 27, 1911.]

NOT WELL POSTED.

Prof. James D. Boyle, of the University of North Dakota, has been giving evidence before the Senate Finance Committee of the United States, at Washington, on the subject of reciprocity and the price of wheat in Winnipeg, Minneapolis, and Duluth. If all the evidence furnished by the professor is as accurate as that about the Winnipeg Grain Exchange, it will be well for the Senate committee to have it revised before use. The following is his statement on this point:

"There was good reason for the depression of prices at Winnipeg entirely apart from the question of the tariff. This reason was the passage of hostile legislation by the Manitoba Legislature. This legislation was directed against trading in futures, and it had the effect of disrupting entirely the Winnipeg Produce & Grain Exchange. It was forced out of business, and a voluntary organization known as the Winnipeg Grain Exchange took its place. Trading in futures was given up. Government elevators were also built in competition with the private ones.

"The result of these changes was that Winnipeg grain dealers could no longer pay the prices they had hitherto paid. Elevators, which had been accustomed to hedge by selling in futures against what they bought for cash, had to give up this form of insurance against loss. They had to carry the risk themselves now, whereas formerly they had been able to protect themselves against it. Naturally that risk had to be paid for. It was paid for in lower prices for wheat. The Manitoba farmer is, therefore, paying insurance against loss to the agencies that gather and ship his wheat—an insurance that was before taken care of by the device of trading in futures."

This will be news, indeed, to the members of the Winnipeg Grain Exchange. The "hostile legislation" referred to by Prof. Boyle was passed during the winter session of the Manitoba Legislature of 1908. It modified certain by-laws of the Winnipeg Grain & Produce Exchange, but no attempt was made to prohibit trading in futures. The old exchange disappeared because that was the easiest way out of the situation which was created by the passage of the legislation, and the new voluntary association was formed, the change in the name being made by dropping the word "Produce." This new exchange came into active being with the opening of the new building on the 1st of September, 1908, and the trading in futures goes on increasing year by year, until to-day it is rather more than three times as great as it was in 1908. Indeed, the grain-option market in Winnipeg is now the third largest on the continent of America, as it is the largest cash-wheat market on the continent of America. Its fluctuations are momentarily posted both in Chicago and Minneapolis, as the fluctuations of those exchanges are posted in Winnipeg. Sales are hedged as they always have been, and elevators do not carry one dollar more risk now than they did in the days before the passage of the "hostile legislation."

As to the effect of Government elevators, they are supposed to enhance, not depreciate, the price of wheat. At least that is the claim made for them by their most ardent supporters, and in any case they have only existed, partially in one Province, for one season, so they could hardly have affected prices in 1908, before they came into existence.

CANADIAN COMPETITION.

Mr. McCUMBER. Having established beyond any possible controversy that our prices are higher than the Canadian prices at the present time, and that this reciprocity agreement if enacted into law will level those prices in the immediate future to the world's level, the question arises, Will it be possible for us at any time in the future to again occupy the position we have for the last several years, that of having a home market worth from 10 to 15 cents a bushel on wheat, 25 to 30 cents a bushel on flax, and 20 to 30 cents a bushel on barley more than it would be if we were dependent upon the foreign market?

I say again that the farmer who for years has looked forward to that period when consumption and production of wheat, barley, and flax should equal each other in this country, looked forward to it with a longing hope and a steadfast faith that this protective duty would some day bring to him a measure of justice which he had not been able to secure in the past, because of his surplus production, will be doomed to remain for a century to come absolutely dependent upon and subservient to the world's level of prices for his products; and that with the enormous possibilities of grain production in the Canadian northwest those prices will be lower, comparatively, than he has received for a number of years.

Mr. President, it is impossible to get the average person to comprehend either the extent of territory or the measure of possibility of grain raising in the Canadian northwest. The figures which you will give him are so startling that he can scarcely give credence to them.

The wheat production of the world is to-day about 3,000,000,000 bushels. The northwestern Provinces of Canada have an available acreage which can be cultivated, and which, if all sowed to wheat, would yield a supply equal to the present world's production. Our annual crop is, in round numbers, about 650,000,000 bushels. That northwestern country has an acreage which, when all under cultivation, is capable of producing four and one-half times as much as the average yield of the United States.

I again do not want this to stand on my uncorroborated declaration. I propose to back up my assertions with irrefutable evidence.

The Government statistics of Canada, which are not inclined to exaggerate, give the following acreage in the three north-western Provinces capable of cultivation and raising crops:

Provinces.	Number of acres.	Number of acres tillable land.
Manitoba.....	47,188,480	27,000,000
Saskatchewan.....	160,416,000	86,826,240
Alberta.....	162,000,000	100,000,000
Total.....	369,604,480	213,826,240

Now, let us suppose that all of this tillable land is under cultivation. The average yield of these northwestern Provinces has been about 20 bushels to the acre. Two hundred and thirteen million acres, at 20 bushels per acre, would produce 4,260,000,000 bushels.

Will all this be sown to wheat in the future? Certainly not. Why? Because there could be no demand for it in the immediate future. If you double the world's supply of wheat, the product would scarcely be worth hauling to market. The only point I am trying to make, and to make clear, is the possibility of that country and the assurance that there is a vast empire of virgin soil, capable of being opened up and made productive just as rapidly as the world's increase of population will demand its production. And I want to convince the Senate and everyone who will make a careful investigation of this subject that the effect of these possibilities, the fact that the land is there to produce this immense quantity of wheat, means that so long as it can enter free into this country in competition with our own wheat the value of our wheat can never maintain a level for any length of time in excess of the value of that grain for exporting purposes. In other words, it means that for at least a hundred years to come the farmers of our Northwestern States must remain exactly where they have been for the last hundred years, with the exception of the last decade, subject to the world's demand for their products, and that they will hereafter be denied that which they have waited so long to obtain—a really protected market for their products. Of course they will exist. Of course they will live just as they have lived, but the enactment of this law is a legislative decree depriving them of their well-earned inheritance. And, Mr. President, he who robs me of the right to inherit that which my own labors or my own sacrifices have helped to create does me as great an injustice as he who deprives me of my present possessions.

Mr. President, it is so difficult to impress the minds of those who have not had the opportunity to visit this land of wonderful potentiality with either its territorial extent or its productive capacity that I feel justified in supporting the reports of the Canadian Government with additional evidence.

Great numbers are incomprehensible. The illustration given by Prof. Chamberlain will help us to understand the extent of the productive section of this territory. He says—and I again call the attention of Senators to the map on the wall which, while it shows only a portion of the United States, will help elucidate the illustration:

Gentlemen, you can step to a map of the United States and take a pair of dividers and place one leg or one toe on Minneapolis, place the other toe at the southeastern corner of Tennessee—I say Tennessee, because Tennessee and Oklahoma, I think, are our most southern States that produced a surplus of wheat; I do not think Texas does unless within the last year or two. Now, that covers a big area. From Minneapolis to Tennessee is our entire wheat field, except a little on the coast. Now, turn it around to the Northwest and set down the leg from Tennessee, keeping the other on Minneapolis, and you have not reached the northern boundary of the wheat field by 500 miles; you have not reached their best wheat fields by 300 miles, the Peace River Valley, from the evidence we have at hand.

I again call the attention of Senators to the map. You will find on the Canadian Northern road farthest to the northwest Edmonton. I am informed they are raising good wheat and grinding it to-day 600 miles north of Edmonton, and raising it very successfully. To-day that country has not the railroads and the settlements, but it has the salubrious climate that comes from warm winds from the Japan current, and its capabilities are beyond comprehension.

I want to read a quotation—

I am still following the evidence of Mr. Chamberlain—

I want to read a quotation from George Harcourt, minister of agriculture for the Province of Alberta, in 1909. He made this report, Speaker CANNON says: "Of the country which is known, the area capable of producing grain is 220,000,000 acres."

He is referring to the three Provinces.

"Two hundred and twenty million acres. The total area in crops last year was 11,267,870 acres." Now, remember, 11,000,000 in 220,000,000 capable of being put in cultivation.

Senator McCUMBER. One-twentieth in cultivation?

Mr. CHAMBERLAIN. One-twentieth, "producing a total crop of 240,000,000 bushels," says Mr. Harcourt. "The uncultivated land in the future will produce at least 5,000,000,000 bushels. This is not the end. There is a great northern country—the McKenzie Basin—which is capable of producing grain." That is taken from the Canadian Year-book, and I want to say that those people up there, her officials, are not given to exaggerated statements, and from what I have read and from what I know, I believe that statement is absolutely correct; and I want to say, further, that two lines of railway are building into that very country at the rate of four or five hundred miles a year, bringing it within the reach of the settler and affording a market for the crop when it is produced.

Senator McCUMBER. Now, of course, the vast proportion, or large proportion, of all this grain raised in the northwest must be exported to some country, must it not?

Mr. CHAMBERLAIN. Up there?

Senator McCUMBER. Yes. Canada can not take it. It has got to be exported.

Mr. CHAMBERLAIN. It has got to be exported.

Senator McCUMBER. Then, is not the logical and the only conclusion that, with that vast area, with its immense possibilities, coupled with the fact that its products must be exported, that it stands there as a club against the American farmer ever receiving anything more for his grain than what we call the level of the world's prices?

Mr. CHAMBERLAIN. The only thing that will save the American farmer, if this bill becomes effective, will be that the Almighty destroys that crop; that is the only thing that can save him.

Senator McCUMBER. Then, from 50 to 80 or 100 years it means that the farmers of the Northwest will never get the price for their products greater than the world's market?

Mr. CHAMBERLAIN. Absolutely, Senator.

Senator McCUMBER. And we lose the benefit of the American market, because the moment we get a price above the market of the world here is this surplus of Canada to rush in and drive it down.

Mr. CHAMBERLAIN. Yes, sir; and that surplus is so great that it will not result even in raising the price of the Canadian wheat. We come down to the Liverpool level, both of us.

Senator McCUMBER. And then the point I wanted to make is that even though there should not be a bushel exported into this country, still the fact of its being there for export, and no tariff wall between us, would result in constantly and eternally keeping ours down?

Mr. CHAMBERLAIN. Absolutely. It can not do anything else that I can see.

Mr. President, Mr. Laurier, in his discussion of this treaty before the Canadian Parliament, speaking of the wheat production of Canada in the near future, says:

We are sure the production will increase tenfold by and by.

He was discussing a product which was then, I believe, 166,000,000 bushels. If it is to increase tenfold by and by, you would have 1,660,000,000 bushels, or half of the world's supply. He does not claim that this tenfold is the limit of its increase.

Mr. Devine, speaking of the Canadian Northwest, says:

I want to say to you, gentlemen, that they have 200,000,000 acres of grain land—that is, oats, barley, flax, wheat, rye—and I would say to you that in no place on this continent are there 200,000,000 acres that will compare with it in its ability as a farm country. They have 145,000,000 acres of grazing and dairy land, and 105,000 people went there last year. They are beginning in Canada on the highest level that we know in the West to develop it, develop it rapidly, develop it well. They will have this year to sell, in all, probably 250,000,000 bushels. Ten years ago they raised no flax; now they are raising from 5,000,000 to 7,000,000 bushels, and you take that 30 cents off and I want to tell you you are going to do a great hurt and you are going to cripple the people of the West in competition with Canada.

Mr. Kingman, of North Dakota, says:

Well, the possibilities are way beyond the conception of most men—the possibilities of the three northwestern Provinces of Canada—Manitoba, Saskatchewan, and Alberta. They have been raising an average of about 21 bushels of wheat. Their tillable area, on a basis of 15 bushels of wheat per acre, would produce an amount equal to the present world's supply of more than 3,000,000,000 bushels. It is not at all reasonable to presume that it would all be seeded to wheat, but it is a possibility. That is a rather strong statement, but I think it is true.

The following table, showing the rapid development of a single one of these Provinces, will tend to give you some idea of the competition that is in store for our northwestern farmers:

Growth of wheat production, Saskatchewan.

	Wheat.	Oats.	Barley.	Flax.
	Bushels.	Bushels.	Bushels.	Bushels.
1898.....	4,780,440	1,589,412	182,859	.....
1899.....	6,063,508	2,518,248	100,604	.....
1900.....	3,443,671	1,004,561	150,822	.....
1901.....	11,956,069	5,517,886	354,703	.....
1902.....	13,110,330	6,975,796	296,632	153,709
1903.....	15,121,015	9,164,007	655,593	285,037
1904.....	15,944,730	10,766,350	589,336	166,434
1905.....	26,107,286	19,213,055	893,396	398,399
1906.....	37,040,098	23,965,228	1,316,415	710,689
1907.....	27,691,601	23,324,903	1,350,265	1,364,716
1908.....	50,654,529	48,379,838	3,965,724	2,589,352
1909.....	90,215,000	105,455,000	7,833,000	4,448,700

How is that farming done in that country? Why is it that our manufacturers of farm machinery are so anxious to get the tariff taken off of their manufactured product? I will give you a little example of what I have seen up there. In the latter part of the month of May, on the broad prairies, at the time for seeding flax, I have seen an engine drawing 12 breaking plows. Behind the breaking plows were disk harrows to cut

the sod. Behind them were seeders or drills. All that breaking, cultivating, pulverizing, and seeding flax was done at one time. That gives you something of an idea of the way they are developing that country and what is meant by the testimony of Mr. Devine when he says they are adopting the latest methods known in the development of that great Northwest.

Here, then, is this enormous Canadian product lying along our entire Minnesota, Dakota, and Montana border just as accessible to Minneapolis as the wheat of those States, the kind of wheat that Minneapolis wants for the grade of flour she makes for the American people—flour which, I believe, brings more in the markets of the United States and the world than any other flour produced. Where will be the market for this grain? If our prices should for a week be higher on the American side, of course it would come in.

Now, if you will again look at the map, you can see the natural flow of that grain. It can come down to Minneapolis and Duluth or it can go on the Canadian roads to Port Arthur. It is practically as near to one section of the lake as it is to another section of the lake. Practically all of the Canadian products must be exported, because, with a population of only 8,000,000, they will produce in a few years more grain than will be produced by us. Therefore their product will practically be all exported, and it will naturally go to the nearest market that will give it anything above the export price. That means that our market must be eternally down to the export price, in competition with the world, while we buy everything upon a more or less protected basis.

I am not, however, claiming that it will come in in any great quantities. We will be producing enough to supply the American demand under ordinary conditions for some years. We will be exporting in some sections of the country for a number of years. And though we might not import one bushel of it in 10 years, the very fact that it is there and ready to come over into this country the moment our prices are above the general world's prices, that of itself will keep our prices down to the Canadian price. Though the Canadian farmer might not export a bushel of that vast production of grain into the United States, he stands there with a club—and an enormous club is this Canadian surplus—ready to beat down the American price the moment it rises above the world's level of prices.

BARLEY.

Does the raising of barley in the United States need protection?

Mr. Mauff states that the world's crop of barley is 1,400,000,000 bushels, and probably 1,000,000,000 bushels of it is fed to animals.

Mr. GRONNA. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to his colleague?

Mr. McCUMBER. I do.

Mr. GRONNA. My colleague has covered this question very thoroughly, but I want to suggest to Senators who come from States where they do not raise No. 1 hard wheat that they will be the losers just as well as the States which raise hard wheat. We buy wheat raised in the Southern States and mix it with the hard wheat, and therefore the southern farmer is benefited.

Mr. McCUMBER. I think I have covered that.

Mr. GRONNA. I did not hear the Senator on that point. I simply wanted to make that suggestion.

Mr. McCUMBER. The Senator is absolutely correct in that respect.

The barley acreage in the United States in 1900 was 2,894,282 and the crop 58,925,833 bushels, while this year—1910—the acreage was 7,257,000 and the crop 162,227,000 bushels. Note its wonderful growth under protection.

In the five principal barley-growing States of the Mississippi Valley the farmers increased their acreage during that period as follows: Minnesota, from 325,000 acres to 1,285,000 acres; Wisconsin, from 245,000 acres to 866,000 acres; South Dakota, from 108,000 acres to 1,025,000 acres; North Dakota, from 244,000 acres to 987,000 acres; and Iowa, from 444,000 acres to 510,000 acres.

This wonderful development in the increase on acreage and production in the United States is due to the stimulus given the barley trade by the protection of 30 cents per bushel. At the end of the fiscal year of 1904 and while the tariff was 30 cents a bushel on barley, it was worth about 45 cents a bushel, notwithstanding the few markets and dull times and low prices of all products. We changed the tariff in 1904 to a 30 per cent ad valorem, which amounted to about 10 cents a bushel, and we soon brought the price of barley down to about 30 cents a bushel. From the fiscal year of 1898 when we raised the tariff again to 30 cents a bushel, the price of barley began an ascent,

continuing until 1908 when it was 73 cents a bushel. The large crop of 1909 brought it down to 55 cents a bushel and the short crop of 1910 brought it up to 86 cents or 90 cents and even \$1 a bushel. For the fiscal year 1893 when the duty was but 30 per cent ad valorem, or from 10 to 12 cents a bushel, we imported over 2,000,000 bushels. As soon as we put on our tariff of 30 cents a bushel our importations dropped from about 2,000,000 bushels down to 104,000 bushels, and they have not been of any moment since then. Thus it will be seen that our tariff did have a very decided effect upon our barley during all of these years, and during the last year we have had the full benefit of the tariff, or about 30 cents a bushel.

Mr. Chamberlain says:

Canada grows 1,800,000 acres of barley, yielding 55,400,000 bushels; 30 bushels per acre, 7½ bushels per capita. The United States grows about 7,000,000 acres, yielding about 170,000,000 bushels; 25 bushels to the acre, or less than 2 bushels per capita. Those are the figures taken from the best available authority.

The average barley yield in Canada is 30 bushels. If it costs \$8 to produce an acre of barley, it costs 27 cents a bushel in Canada. The yield in the United States is 25 bushels and the cost per bushel 32 cents, or 5 cents more per bushel than in Canada. With the tariff removed, Canada could easily supply the entire barley market of the United States.

EFFECT ON OTHER PRODUCTS.

Mr. President, I have shown what the effect of this agreement has been and will be on the principal products of the State which I represent—wheat, barley, flax, and oats. Will its effect be injurious to other farm products? If so, what and to what extent? It will, of course, have no direct effect on corn. It may have little on poultry, eggs, and vegetables. It will depend on location. At some points we may be able to export those things into Canada, and in other sections Canada will export them into this country.

For a few years we shall be exporting horses into northwestern Canada to fill the needs of that rapidly developing section. The demand for horses to cultivate the new fields will not allow time for colts to grow horses. Twenty to twenty-five years ago we imported into North Dakota the horses we needed. To-day we are exporting horses. Twenty to twenty-five years hence, if not before, Canada will be exporting horses into this country.

For a while we shall undoubtedly send cattle into northwestern Canada, but their increase, raised and fattened on those vast ranges, will return to compete with our cattle raised on higher-priced land and under less favorable conditions.

The Canadian sheep industry is not now very considerable, but with millions of acres of range land and with freedom of entry, not only for the sheep but also for the wool on the sheep's back, this industry will in a few years become a most earnest competitor in our markets.

The evidence clearly establishes that in the eastern section of the United States our hay crop will suffer severely by Canadian competition. In the West we shall not feel this competition.

Premier Laurier, in his address in the Canadian Parliament, dwelt with emphasis upon the great value of the American market for Canadian hay. His views are substantiated by the evidence submitted before the Finance Committee.

Mr. President, I can not better sum up my conclusion as to the effect of the agreement on some of the products of the farm than by quoting from the evidence of Mr. Hull. He says:

Mr. Duff, who is minister of agriculture of Ontario, made a stirring appeal to the Canadian farmers of Stratford that it was beneath the dignity of Canada to go across the border and ask for reciprocal trade relations with the United States. One of the leading farmers of that section got up and said:

"Mr. Duff, I hitched my lambs on behind a carload of Michigan lambs, and when they crossed the border I had to pay 75 cents on every one of those lambs. The American lambs from Michigan went across free. Had we had this relation, I would have had 75 cents more for those lambs. I have been marketing many of my products over there. Had it not been for that, I would have had the money. Could I sell over there in New York, in Ohio, or Michigan my butter which I am producing this year, I could get 8 cents a pound more on the average than I have gotten. I could have gotten 3½ to 4 cents a bushel more for my oats; I could have gotten 30 cents more for my barley; I could have 40 cents more a bushel for my beans. Mr. Secretary of Agriculture, you and your dignity be hanged. I am in this for the money there is in it."

That, I think, expresses tersely and accurately the condition in the eastern section. But I have dealt more particularly with what I know to be the conditions in the western part.

COST OF PRODUCTION.

Mr. President, I have declared as one of the great reasons why we should enact no legislation that would diminish the earnings of the tillers of the soil that their earnings under present conditions are very meager and far less than those of any other class of labor. The occupation of farming to-day is one requiring very considerable intelligence and most careful study and training in order to secure even moderate success.

To-day it requires more capital than ever before to engage in farming and more than it does to engage in most businesses. In my State a half section of land will cost all the way from \$8,000 to \$15,000, and it would require from \$3,000 to \$5,000 worth of personal property to run it. You can start in the mercantile business in most of the small towns on only a fraction of this amount. You can start a State bank with a capital of \$10,000 and a national bank with a capital of \$25,000. And I repeat it requires far more study and judgment to know how to rotate crops, how to vary your plowing and cultivation for different kinds of crops and in different seasons, how to rehabilitate worn-out soil, how to prepare your seed—far more thought and judgment than it requires to buy cloth at 15 cents a yard and sell it at 35 cents a yard.

It is needless to quote to me statistics of the vast number of men who fail in mercantile enterprises. Those same men would, every one of them, fail as farmers. In most instances the same lack of application and industry which caused a failure in their own business would have caused them to fail in the farming business. It would probably be found that in nearly every one of the mercantile failures the owner was doing business wholly on somebody else's capital, and the interest would not stop while he was attending baseball games.

Mr. President, difficult as is the task of ascertaining the cost of producing farmers' products, the very thorough and careful methods adopted by some of the agricultural colleges have reduced the subject to a reasonable certainty. I have made up a table from the testimony of Prof. Chamberlain, of the South Dakota Agricultural College, combined with the reports from the Agricultural Department, showing the cost of production of wheat per acre and per bushel in the States of Minnesota and the two Dakotas for five years, 1905 to 1909, inclusive. This table includes cost of production per acre, yield in bushels per acre, farm value per acre, cost per bushel, farm value per bushel, profit per acre, loss per acre, profit per bushel, and loss per bushel. I have used the Minnesota cost of production for both the Dakotas, having no other data.

Cost of producing wheat, including profits and losses.

States and years.	Cost per acre production.	Average yield per acre.	Farm value per acre.	Cost per bushel.	Farm value per bushel.	Profit per acre. ¹	Loss per acre.	Profit per bushel.	Loss per bushel.
Minnesota:		<i>Bush.</i>							
1905.....	\$8.40	13.3	\$9.44	\$0.63	\$0.71	\$1.04	.....	\$0.08	.....
1906.....	8.40	10.9	7.08	.77	.65	.....	\$1.32	.....	\$0.12
1907.....	8.40	13	11.96	.64	.92	3.56	.....	.28	.....
1908.....	8.40	12.8	12.03	.66	.94	3.03	.....	.28	.....
1909.....	8.40	16.8	16.13	.50	.96	7.73	.....	.46	.....
North Dakota:									
1905.....	8.40	14	9.66	.60	.69	1.26	.....	.09	.....
1906.....	8.40	13	8.19	.69	.63	.....	.31	.....	.06
1907.....	8.40	10	8.70	.84	.87	.30	.....	.03	.....
1909.....	8.40	13.7	12.60	.61	.92	4.20	.....	.31	.....
South Dakota:									
1905.....	8.40	13.7	9.18	.61	.67	.78	.....	.06	.....
1906.....	8.40	13.4	8.17	.62	.61	.....	.13	.....	.01
1907.....	8.40	11.2	9.97	.75	.89	1.57	.....	.14	.....
1908.....	8.40	12.8	11.78	.65	.92	3.38	.....	.27	.....
1909.....	8.40	14.1	12.69	.59	.90	4.29	.....	.31	.....

¹ Average for these States, \$2.

Cost per acre for producing wheat in Minnesota found in Bulletin No. 73, Department of Agriculture, on page 50.
Yield per acre from Agricultural Yearbook, 1909, page 450.
Farm value per acre, Agricultural Yearbook, 1909, page 451.
Farm value per bushel, Agricultural Yearbook, 1909, page 452.
In this table no allowance is made for depreciation in improvements, horses, machinery, insurance, etc., nor loss by hail, drought, and other extraordinary circumstances, and nothing for the large acreage each year which may be either summer fallowed or in pasture or for any cause not producing.

Without going over this table, I simply call attention to the fact that the average profit per acre was \$2 during all these years. There were two years in which there was an actual loss, and if we had considered 1910, when there was a total loss, we probably would not have averaged over \$1.25 or \$1.50 an acre.

Mr. President, there has been very much talk and considerable evidence concerning the difference in the cost of production in Canada and the United States. I have paid little attention to it. I know that in my section of the country there is very little difference on either side of the boundary line, either in the cost of labor on the farm or farm machinery to operate it. It is probable that as the Canadian farmer uses American machinery, which must pay a Canadian duty, that such machinery costs him a little more than it costs the American farmer, although I am informed that this machinery is sold to the Canadian wholesaler very often lower than it is wholesaled to the American dealer. But that is a trivial matter in making up the general cost of pro-

duction. The two great items that enter into the cost of production are, first, value of land, and, second, value of crop raised thereon. The price of land in Richland County, in my State, is at least twice the average price of land in Saskatchewan. If our land, therefore, costs \$40 per acre and produces 15 bushels of wheat per acre, worth 80 cents a bushel, we would receive a gross return of \$12 per acre. And if it costs \$10 per acre to produce it (and charging depreciation of personal property, insurance, and the many other unlooked-for expenses it will cost more than that on an average), there will be a net gain of \$2 per acre, or 5 per cent interest on the investment.

If the Canadian farmer's land costs \$20 per acre and produces 20 bushels per acre, worth 80 cents per bushel, he would receive a gross return of \$16 per acre. And if it costs \$11 per acre to produce it (allowing a little more cost for handling the heavier crop raised), there will be a net gain of \$5 per acre, or 25 per cent on the investment.

You will therefore see that to secure the same return the American farmer must make a much heavier investment, and as we must consider the capital employed in computing the cost of production, we should therefore need our tariff wall to place the American farmer on an equality with the northwestern Canadian farmer. Of course, Mr. President, the value of the lands close to the border do not show this difference, but taking the two great sections, the difference at the present time is very considerable. It stands to reason that as soon as the duty is removed this difference will grow less.

But, Mr. President, I have never given my assent to the doctrine that the measure of our protection should always be the difference in the cost of production of an article in this and any foreign country.

In that I do differ from many of my Republican associates. I want protection that protects. I want it just high enough to insure reasonable profits to the producer, after allowing good and reasonable wages for the labor employed in producing it. And I want that protection just low enough, that if the producer, either by combination or otherwise advances the price of his product to an unreasonable point, the foreign goods will come in and force him down to a reasonable basis. I want all of our people to live well. If it should actually cost just as much to produce an article in China as it costs to produce it in the United States, and the Chinaman, because he can live on one-fourth as much as the American can live on, is willing to sell his product over here on a basis of one-fourth the profit the American should have, I would not let his goods come into the country free. And, Mr. President, that is just the ridiculous position this theory of the measure of protection would drive us into if applied in every case. I admit that in most cases it might be just and fair.

The question I ask myself is this: Is the vocation of farming in this country, considering the capital necessarily invested and the amount of intelligence of the labor necessarily employed, as profitable as other vocations? My answer to that question is "No." Applying my principle of protection to that condition, I then conclude that I should give the farmer's products that protection which will insure him just, fair, and equitable remuneration, no more and no less. And that which I would apply to the farmer's products I would apply to every other great product.

PRESIDENT'S POSITION.

Mr. President, I have carefully read the position of President Taft on this subject as outlined in his Chicago address of June 3. I am certain the President wishes to be fair. But it is evident from his address that he, too, is imbued with the very general error that Liverpool fixes the price of our wheat. I have been for some hours engaged in refuting that error; and, Mr. President, I have refuted that fallacy and have shown that the proposition has no possible application where the home demand is greater than the home supply.

The President says:

The only real importation of agricultural products that we may expect from Canada of any considerable amount will consist of wheat, barley, rye, and oats. The world's price of these four cereals is fixed abroad, where the surplus from the producing countries is disposed of, and is little affected by the place from which the supply is derived.

Let me ask the President this question: The cost of transporting wheat from Minneapolis to Liverpool, including insurance, commissions, cost of handling, and so forth, and allowing no profits for the dealer, is about 15 cents per bushel. If Liverpool fixes the price of wheat in Minneapolis, then Liverpool prices must average at least 15 cents per bushel above Minneapolis price for the same kind of grain. But your Bureau of Statistics of the Agricultural Department shows, by the table I have referred to, that the average price of No. 1 northern for the year 1908 was, Minneapolis \$1.11 per bushel, Liverpool \$1.25 per bushel, a difference of only 14 cents. The average

price at Minneapolis for the year 1909 was \$1.20 per bushel, Liverpool \$1.29 per bushel, a difference of only 9 cents. The average price at Minneapolis for the year 1910 was \$1.14 per bushel, Liverpool \$1.14 per bushel, a difference of no cents. How, then, could Liverpool fix Minneapolis prices for that grain when not for a single day during those three years could Minneapolis have shipped a bushel of that grain to Liverpool?

The very next sentence of the President, wherein he proceeds to explain the cause of the difference of 10 cents per bushel in favor of the Dakota and Minnesota farmer, shows that those to whom he has looked for information on this subject have not given him the actual status. The President of the United States, with his manifold duties, can not possibly go into the details of every one of these questions. Note his explanation. He says:

Canadian wheat nets, perhaps, 10 cents less a bushel to the producer than wheat grown in the Dakotas or in Minnesota, due to the fact that the cost of exporting that wheat and warehousing it and transporting it to Liverpool is considerably greater than the cost to the Dakota farmer of disposing of his wheat to the millers of Minneapolis or sending it abroad.

Note the President says that our higher price is due to the fact that the cost of exporting that wheat and warehousing it and transporting it to Liverpool is considerably greater than the cost of the Dakota farmer in disposing of his wheat to the millers of Minneapolis or sending it abroad. It is clearly apparent that the President is laboring under a mistaken idea that this difference in price applies only to those places where there is a difference in the cost of transportation, and so forth, whereas the fact is that all along the border line between Canada and the United States, where the freight is exactly the same and where the Canadian wheat can go through this country in bond, there is the same difference; and when you get back into the interior of northwestern Canada, where the cost of transportation and housing the Canadian wheat is greater than in the United States, the difference between the United States and Canadian prices is just so much greater. Every case that we have cited has been where the cost of transportation and warehousing was the same on both sides of the line. The average difference of from 10 to 15 cents a bushel in favor of the American side, which we have been discussing, is where the cost of transportation to Liverpool, warehousing, and so forth, is the same. Certainly the President will not contend that it costs more to transport grain to Liverpool from Port Arthur on the Canadian side of Lake Superior than it costs to transport it to Liverpool from Duluth on the American side of the lake. And yet the Duluth market for several years past, like the Minneapolis market, has been from 10 to 15 cents per bushel better than on the Port Arthur side.

In the very next sentence which the President utters in that speech, although given by him to elucidate another proposition, he is unconsciously disclosing the one great cause and the one great explanation of this difference in prices, namely, home demand.

He says:

The capacity of the American mills is 33 per cent greater than is needed to mill the wheat of this country.

That is the answer, Mr. President.

Now, remember the greatest milling capacity in this country is at Minneapolis. The greatest demand for wheat for milling is at Minneapolis. The supply of the kind of wheat needed by Minneapolis in this country and in the Minneapolis territory is not equal to that demand, hence the higher prices. When the Canadian product can come in from Canada free, the supply will be much more than the Minneapolis demand, hence prices must go down.

There are three other ideas suggested in the President's address which challenge consideration. Referring to this agreement generally, the President says:

It will not, in my judgment, reduce the price of wheat or other farming products for our people in any marked way. It will, however, by enlarging the source of supply, prevent undue fluctuations, and it will and ought to prevent an exorbitant increase in the price of farm products, which, as they have been for the last three or four years, have inured equally to the benefit of all engaged in agriculture.

And again:

But I do think that reciprocity will enlarge the reservoir of the supply of farm products for our people, and thus prevent undue enhancement of prices beyond the present standard. If this be the case, then neither the farmer will be injured nor will prices increase.

These two sentences, Mr. President, disclose a conviction in the mind of the President of the United States of three things: First, that the farmers of this country are receiving as much for their products as they should receive; second, that in order to prevent an exorbitant increase in the price of the farmers' products this Canadian reservoir of wheat should be tapped

and its contents allowed to enter into this country; and, third, that by so doing the price of wheat will not be increased or diminished in any marked degree.

Now, Mr. President, the proposition of the President of the United States is that the price of the farmer's product is to be so regulated by this free wheat, this Canadian reservoir, that it shall not advance. The justice of that proposition must rest upon the assumption either that the farmer is now receiving a compensation for his labor and capital employed equal to the returns upon labor and capital employed in other vocations, or that the farmer is not entitled to equal compensation. I know the President would not for a moment advocate the latter. I know of no man whose sense of right and justice is more keen than that of our President. In the table which I have already put into the RECORD, and which has the seal of authenticity of the Agricultural Department, the average profit per acre of farming in the States of Minnesota and North and South Dakota, for the years 1905 to 1909, inclusive, the most profitable farming years we have ever had, is about \$2 per acre. And remember, Mr. President, that this table leaves out of consideration entirely depreciation of buildings, horses, machinery, insurance against hail, and that it does not include the year 1910, when, on account of drought, there was almost a complete crop failure and a heavy loss in most parts of those States. This table shows what I have claimed again and again, that the only reason that the farmer has been able to exist is that he and his whole family make no allowance for their own labor. In other words, the farmer and his family work for their board and clothing, and mighty cheap clothing at that. The city young man spends \$10 for neckties where the farmer boy spends \$1.

Now, we will suppose that in a farm of 160 acres there are 120 acres actually in crop each year. The farmer will then have \$240 to purchase new farm machinery as the old wears out, buy other horses as the old ones die, clothe himself and family, educate his children, pay doctor bills when they are sick, and buy a cheap coffin when they die. What other intelligent labor in the United States that does not reap a greater reward? Mr. President, I am ultraconservative when I say that 160 acres of land in the Red River Valley will cost at least \$5,000, and \$3,000 will be required for horses and necessary farm machinery to operate it. That means a capital of \$8,000 invested.

Mr. CLARK of Wyoming. Will it disturb the Senator from North Dakota if I ask him a question?

Mr. McCUMBER. Not at all.

Mr. CLARK of Wyoming. I understand the Senator from North Dakota to say that these tables demonstrate the fact that the profit is \$2 an acre, and that in reaching that sum the cost of the labor of the farmer and his family is not included.

Mr. McCUMBER. We have not figured the cost of the labor of the farmer and his family. The farm labor which the farmer hires has been figured in, according to the testimony as it was given. I will tell you what is given here. These tables are on the basis of what they call rent—rent or interest on the value of the land.

Mr. CLARK of Wyoming. Then taking the Senator's figures, if I understand them correctly, and his statement if the farmer could charge up in the cost of production his own labor, which he gives and that of his family, the profit would be infinitesimal.

Mr. McCUMBER. As shown by another table which I gave in another address on this subject, there would not be a farmer in the United States who would not be running behind if he would charge up, for his own labor and that of his family, as much as he pays his hired labor. That is the point.

Thus the farmer, in order to secure an opportunity to perform his farm labor, must make an investment of \$8,000. If he purchases to-day, he must generally give a mortgage back on the land to secure that purchase price. And I am clearly within the facts when I say, if they start with nothing, as the ordinary laborer starts, the farmers of the United States carry mortgages on two-thirds of the working years of their life whenever they buy a farm; that two-thirds of those working years are consumed before the mortgage is lifted.

How does this farmer's earnings compare with the earnings of a bricklayer in our large cities? We will say there are 300 workdays in a year; that the farmer works 12 hours a day on the average. In the summer time he works 16 hours a day. He would therefore work 3,600 hours a year to earn \$240, or about 6½ cents per hour. What wage does a bricklayer get in Washington? He gets 62½ cents an hour, or 10 times as much as the farmer gets for his labor. Does bricklaying require a higher degree of intelligence or education than farming? Mr. President, it does not require as much of either. If farming does not require greater study and the exercise of greater intelligence, then the millions upon millions of dollars expended in sup-

port of agricultural colleges for information to the farmer has been and is a gross waste. And I am here to deny that it is a waste.

Mr. MARTINE of New Jersey. Mr. President, will the Senator permit an observation just there?

Mr. McCUMBER. Certainly.

Mr. MARTINE of New Jersey. I listened to the Senator's quotation regarding the wages of bricklayers. I think the Senator will realize that a bricklayer receiving \$4, \$5, and \$6 a day is engaged in one of the unprotected industries of our land. They receive \$4, \$5, and \$6 a day, and carpenters receive nearly as much in my part of the country. Those industries and callings are unprotected. What has the Senator to say to that, I ask him?

Mr. McCUMBER. I am not seeking to take away the earnings of the bricklayer. What I am asking is that we raise the earnings of the farmer until they are substantially upon the same basis.

Mr. MARTINE of New Jersey. My point is that your protection fails to protect; that the wages in the highest protected industries are the lowest and the carpenters, machinists, bricklayers, and artisans of this land, who are unprotected, with the doors open to the world, have the highest wages known in our land. What is the Senator's answer to that, I will ask him?

Mr. McCUMBER. Mr. President, we had before us a short time ago the wage prices for the different kinds of labor in Great Britain and in the United States. The bricklayer in the protected United States gets two or three times as much as the bricklayer in unprotected Great Britain.

Mr. MARTINE of New Jersey. One more question, Mr. President, I want to ask the Senator. How do the wages of bricklayers in unprotected England compare with the wages of bricklayers in protected Germany, and Russia, and China, and the Orient, generally?

Mr. McCUMBER. Mr. President, I think there is very little difference between the wages of that character of labor in Germany and in Great Britain. I am, however, aware of the fact that in protected Germany every laborer is at work, that there is work for every one of them to do. In unprotected England about a third of them, nearly, are in the almshouse or are begging. Now, that is the difference.

I could illustrate this truth in a hundred different ways had I the time and you the patience. If it is answered that the laborer has to pay a higher rent than the farmer and is under greater expense in many ways in the cities than is the farmer in the country, I reply that it is his higher-priced labor in making the brick, in laying them, in doing the carpentering work, in plastering and papering, that makes the higher rent and the higher expense; and he is, therefore, only expending a fraction of the greater earnings of his own labor.

This answers both assumptions of the President that the farmer is reaping a sufficient reward for his labor and that any material raise in the value of his products might be deemed exorbitant, requiring us to open the faucet of the Canadian surplus. Justice to him demands a protection, so far as it is possible, against competition rather than a subjection to it.

But, Mr. President, the fear of the President of the United States lies in the fact that he does not comprehend the enormous possibilities of this Canadian country. These possibilities have not been brought home to him. It is evident from his remarks that he fears a stringency in food supplies. If he could fully understand the size, the capacity, of this Canadian reservoir, with which he hopes to prevent a lack of food supply, I am certain that his fears would vanish. I am certain that if he knew that this great empire in a few years, if necessity required, could raise more wheat than the whole world now produces he would be more fearful of a Johnstown flood than of a drouth. I am certain that if he understood it as we who have carefully investigated it, and as the hearings before the Finance Committee conclusively establishes, he would say that it is time enough to open the Canadian reservoir when our food supply is really threatened. He would know that the wonderful surplus of this region will always be glad to find our market and we need not, therefore, open our doors to it until we do need it.

FUTURE POLITICAL EFFECT.

Mr. President, what will be the effect of this measure upon the future policies and destinies of the two important political parties in this country? This is not a Republican measure. It is not protection. It is not a Democratic measure. It is not tariff for revenue only. It is a hybrid which inherits none of the good qualities of the one parent and only the bad qualities of the other. The Republicans in Congress are almost solidly

against it in sentiment and a majority will be against it on final vote. It can not be charged to the Republican Party except to the extent that it is supported by a Republican Executive. It can be charged to the Democratic Party, because that party, through its representatives and after conferences and caucuses, have espoused it as their cause.

Its effect upon Republican doctrines may not be immediate, but it will be certain. A house divided against itself can not stand. A party, one-half of whose membership supports a policy in exact antagonism to its cardinal doctrines, can not long hold its supremacy.

I am not unmindful of the power of the press of the country in upholding any doctrine. For selfish ends the great press of the country created a false and prejudiced impression and nearly overthrew the Republican Party at the last election. For selfish ends it proposes to support the party next year provided this reciprocity agreement is enacted. But Mr. President, there is a limit even to the power of the press. It is not difficult for it to make right seem wrong by misstatement of facts and suppression of truth, because it is a weakness of our human nature that we seem to get more comfort in having some one else denounced than in having him praised. But it is a much more difficult task to make wrong look right to the man who himself suffers the wrong. And, Mr. President, I can see great difficulty in bringing out that enthusiastic agricultural vote which in all times past has saved the doubtful States to the Republican Party to support a Republican policy of protection when everything on the agricultural schedule must compete in the open markets of the world and with what is destined in a few years to become the greatest agricultural producer in the world—Canada.

I am aware, Mr. President, that the agricultural vote can not consistently turn to the Democratic Party, which has at least mothered this proposition to destroy every vestige of agricultural protection. But I am certain they will see to it that their representatives stand pledged to right the wrong inflicted upon them as nearly as possible, and if their products are placed upon the free list our protective policy will lose its ancient support.

For my part, Mr. President, I am a Republican and a protectionist. I shall continue to be a loyal supporter of that party and of its nominee, because if we ever get back our protection on our agricultural products it must be through the Republican Party.

And I say to the Republican Party to-day: There is one platform on which we can win, both in the election of a Republican President and a Republican Congress, and that platform must read: Fair and just protection to every important American industry. Excessive and unjust protection to none.

Mr. CURTIS. Mr. President, the question of reciprocity with Canada is not new. It has been discussed by the people of this country and Canada for many years. Nor is it an untried question. A reciprocal treaty was in existence between the two countries from 1854 to 1866, and the result was not only unsatisfactory to the people of the United States, but injurious to many of their industries. While the policy or plan is understood by the people, yet the terms of the pending agreement are unknown, and I regret that the question could not have been postponed until the regular session, in December, so that they might have become familiar with those provisions and their probable effect upon the country at large. The question involved is one of the most important which has been presented to Congress in recent years. Not only is one great industry threatened, but the policy of protection to all American industries is involved, and the result of the vote on this question will greatly affect that policy. It might be well to consider for a few moments what the agreement contains and what products of this country it affects. By its terms the following products imported from Canada are placed on the free list: Cattle, horses, hogs, sheep, and all other live animals; wheat, corn, hay, oats, and other farm products; poultry and eggs; fruits and dairy products. These are some of the principal products placed on the free list. They are produced on the American farm. Now, what does the farmer get in return? Sawed boards and other lumber not further manufactured than sawed; in other words, rough lumber, pickets, and palings, cream separators, rolled iron or steel sheets, or plates No. 14 in gauge and barbed fencing wire. These are not all the articles placed on the free list, but they are the ones which will affect the farmer. The newspapers get free pulp of wood and news-print paper. On secondary food products, such as fresh and canned meats, flour, and partly manufactured food products the rates are reduced and made identical. On manufactured commodities, such as motor vehicles, cutlery, and sanitary fixtures, the rates are materially reduced. There is a small list of articles on which special rates are given. Many say that it is

not necessary to give much time or consideration to this question, because the agreement is similar to the reciprocal treaty that existed from 1854 to 1866. The fact that it is so similar is one of the reasons for opposing it, because that agreement proved disastrous to the United States. Mr. Fielding, who spoke for the Government in the Canadian Parliament, said:

It is the reciprocity agreement of 1854 over again, with comparatively little change. It promises prosperity to the people of Canada, and this house would make a grave mistake and do a great wrong if it refused to take advantage of it.

A comparison of the terms of the proposed agreement with the treaty of 1854 will convince anyone that they are substantially the same, except in the treaty of 1854 the United States secured fisheries concessions not contained in the pending agreement. Before we vote upon this agreement, would it not be a good idea for us to examine into the effect of the treaty of 1854? Mr. Blaine, in his book, *Twenty Years of Congress*, has the following to say in regard to that treaty:

The right in the fisheries conceded by the treaty of 1854—originally ours under the treaty of 1782, and unnecessarily and unwisely renounced in the treaty of 1818—was not given freely, but in consideration of a great price. That price was reciprocity of trade, so called, between the United States and the British North American Provinces in certain commodities named in the treaty. The selection, as shown by the schedule, was made almost wholly to favor Canadian interests. There was scarcely a product in the list which could be exported from the United States to Canada without loss, while the great market of the United States was thrown open to Canada without tax or charge for nearly everything which she could produce and export. All her raw materials were admitted free, while all our manufactures were charged with heavy duty, the market being reserved for English merchants. The fishery question had been adroitly used to secure from the United States an agreement which was one-sided, vexatious, and unprofitable. It had served its purpose admirably as a makeweight for Canada in acquiring the most generous and profitable market she ever enjoyed for her products.

You will observe that Mr. Blaine says the treaty of 1854 was "one-sided, vexatious, and unprofitable." The Government trade reports of the years from 1854 to 1866 sustain the contention of Mr. Blaine:

Our exports to Canada in 1855 were \$20,828,676, but under the operation of reciprocity, then commenced, they dwindled in 12 years down to \$15,243,834, while the exports of Canada to the United States increased from \$12,000,000 and odd to \$46,000,000 and odd. When the treaty began the balance of trade had been \$8,000,000 annually in our favor and that paid in specie, but at the end the balance against us to be paid in specie in a single year was \$30,000,000. Here was a positive yearly loss of over \$5,000,000 of our export trade and a loss of \$38,000,000 specie, all going to enrich the Canadians at our expense.

But those who favor the treaty say it is not fair to use the resultant effect of the treaty of 1854 to 1866 upon the country as an argument against this agreement, because they say that treaty existed during a war period. It is true that for four years of that time this country was engaged in the greatest war the world has ever known; but that war did not begin until 1861, and the treaty had been in force seven years before Sumter was fired upon. Again, the bad effect of the treaty upon this country was felt very soon after its ratification—in 1854—and conceded to be unwise and disastrous before it had been in force two years. Another thing, it was not terminated until 1866, a year after the war closed, and there was no improvement in conditions between the date of the close of the war and the termination of the treaty. The benefits of the abrogation of the treaty in 1866 were very soon felt, and our exports to that country have continued satisfactory. They have gone from about \$15,000,000 in 1866 to \$241,000,000 in 1910.

We do not need it to secure or retain the trade of Canada, for the bulk of that we now have. Our exports to Canada last year amounted to \$241,809,233, and our imports from Canada amounted to \$103,256,955, or, in other words, under present conditions last year the balance of trade was in our favor to the extent of \$138,552,278. This is a good showing for the United States, and it seems to me that it is a good plan to let well enough alone. It would be unwise to return to the disastrous policy which was followed from 1854 to 1866. Our trade relations with Canada are now very satisfactory to the United States, so why should we change them? By the terms of this agreement we are to open to them our splendid market of 90,000,000 of people, and in return they give us the market of 9,000,000 of people, and this, too, a market which is now largely controlled by our producers. There is no better home market in the world than ours, and why should we part with any portion of it without an equivalent return? In order that you may know the extent of the interest of the people of Kansas in this question it is only necessary to tell you that the products of the farms of our State last year, including live stock, amounted to nearly \$600,000,000, and the market for the larger part of this wonderful production is found beyond our own borders. But this is only one agricultural State. Consider the resultant effects upon the 7,000,000 farmers, with the 35,000,000 people, who would be directly affected by this measure. But, they say, we who oppose this agreement view it from

an erroneous standpoint, and that we should be broader gauged and look at it from the point of the greatest good to the greatest number. We believe if those who favor this agreement will take pains to examine the question they will find we who oppose it stand for not only 35,000,000 people directly dependent upon the farmers, but many millions more who live in the small towns and villages and depend upon the trade of the farming community. And if you add to these the people engaged in other industries affected by this agreement you will find that those of us who oppose it stand for the greatest number.

I quote the following statistics from the speech of Hon. ASHER HINDS, of Maine, which covers the trade of Canada on some important items of the farm, to wit:

In 1908 when Canada was sending us only 23,000 dozens of eggs she was sending England 1,200,000 dozens. While she has in the last five years sent to us an average of less than 100,000 pounds of butter a year she has sent to England as high as 33,000,000 pounds in a year. In the same five years she has sent us an average of less than 150,000 pounds of cheese a year, but her normal annual export to England was, until New Zealand began to shut her out, about 200,000,000 pounds. In 1909 she sent to us less than 20,000 barrels of apples, but in the same year she sent to England more than 1,000,000 barrels.

Now, it is evident if these products of Canada, which now find markets across the Atlantic Ocean, are given free entry to the markets of the United States they will be sent to such markets which are just across the St. Lawrence River or the Great Lakes, and it is further evident that every dozen of eggs, every bushel of wheat, oats, or barley, every ton of hay, every pound of cheese and butter, every barrel of apples and potatoes produced in Canada and sold in this country, means a loss to the farmer of the United States of that much of his home market, and the money paid for such Canadian products will go into the pockets of the Canadian farmer and not into the pockets of our farmers; yet the farmer of the United States will continue to pay his share of the expense to run this billion-dollar Government of ours, increased by just so much as the loss of tariff on these articles entails.

It is not the present products, which, if admitted free from Canada, would injure American producers, but the danger is in what would follow the opening of our ports to her natural products. At present the people of Canada are cultivating only 30,065,556 acres, which is not as large for the entire Dominion as the cultivated acreage in the State of Kansas alone. Have you considered that the land area of Canada is larger than that of the United States, including Alaska? And yet they are cultivating only 30,000,000 acres. This means that there are millions and millions of acres of land which can be had at very low prices—from 50 cents an acre, under the homestead law, up to \$10 and \$20 per acre. To open up our markets to their products would mean that a large number of people would be attracted to Canada by the low price of land; that great development, improvement, and production would follow.

It is estimated that there are 200,000,000 acres of wheat land in western Canada not yet cultivated, which would yield 3,000,000,000 bushels of wheat annually. Do you think the opening up of these vast tracts would help the wheat growers of the United States? Many of the men and women upon the farms of this country are those who blazed the way to the West and Northwest. They endured the hardships and the privations of the pioneer life. They, and they alone, know the hardships they endured, but they had the courage to stay by the farm, and the soil teems with rich fruit and the fields are blessed with abundant harvest, the result of their patience, their courage, and their labor. These men and women and their children should enjoy the harvest of those fields, which they have cleared and tilled, and they should not be deprived of the great home markets which they help to build up, nor should they be forced by an act of the Congress of this country to share that market with the people of any other country unless they receive a full equivalent in return. This is not done in the pending agreement.

The enactment of the Dingley law started the wheels of the factory, gave labor employment, and the farmer a market, and for 12 years the farmer has enjoyed greater prosperity than ever before. But now, just as he has begun to enjoy some of the blessings for which he has worked so hard, I regret to see some of the Representatives from the protective sections ready to force him to share with another the home market, which of right belongs to him.

THE FARMERS' SHARE.

There has been much said and much more written in regard to the farmers' share of consumers' cost. The people are very much interested in this question, and it should have an important bearing upon the agreement. An examination of the reports will convince anyone that the farmer is not receiving any more than his share. Mr. Wilson, Secretary of Agriculture, in his report of 1910, goes into this question quite fully, and,

believing his conclusions are of interest to the people on this point, I desire to submit the following extract from that report (p. 15):

High prices was one of the subjects of my annual report for 1909. It was shown that for many years previous to about 1897, or a little later, the prices of farm products received by farmers were even less than the cost of production, and often little, if any, above that cost, so that during a long period of years the farmer was not thriving. It was shown also that in the upward-price movement, which began about 1897, the prices received by the farmer have advanced in greater degree than those received by nearly all other classes of producers. That this should have been so was merely a matter of justice to the farmer to equalize the reward of his efforts with the rewards received in other lines of production.

The increased cost of fresh beef between the slaughterer and the consumer is given at 38 per cent; the dairyman receives 50 per cent of the price paid by the consumer; the creamery receives about 86 per cent of the consumers' price of butter; the apple grower receives about 55 per cent; the farmer gets 70 per cent on corn; the strawberry grower, 48 per cent. The farmer receives also 83.3 per cent of the final price in the retail purchase of blackberries by the crate, 75 per cent in the purchase of cucumbers by the third of a bushel, 66.7 per cent in the purchase of egg-plant by the crate, 60 per cent in the purchase of green peas by the quart, 70.5 per cent when hay was bought by the ton, and 82.2 per cent in the purchase of horses from retailers.

Among the many other products represented in this list are oats, with 73.6 per cent of the price going to the farmer when bought by the bushel; melons, 50 per cent when bought by the pound; parsnips, 60 per cent when bought by the bunch; potatoes, 59.3 per cent when bought by the bushel; string beans, 80 per cent when bought by the barrel; sweet potatoes, 60.8 per cent when bought by the barrel; turnips, 60 per cent in purchases by the bunch; watermelons, 33.5 per cent when bought singly.

But to sum the whole matter up, the Secretary says:

From the details that have been presented with regard to the increase of the prices of farm products between farmer and consumer, the conclusion is inevitable that the consumer has no well-grounded complaint against the farmer for the prices that he pays. The farmer supplies the capital for production and takes the risk of his losses; his crops are at the mercy of drought, and flood, and heat, and frost, to say nothing of noxious insects and blighting diseases. He supplies hard, exacting, unremitting labor. A degree and range of information and intelligence are demanded by agriculture which are hardly equalled in any other occupation. Then there is the risk of overproduction and disastrously low prices. From beginning to end the farmer must steer dexterously to escape perils to his profits and, indeed, to his capital on every hand.

We urge you not to attempt to promote your industries at the expense of the farmers of this country. We would have you know that we are disciples of that teacher who strictly charged his followers to do unto others as they would that others should do unto them. The foundation of our prosperity as producers is found in the diversity of our vocations. Agriculturists are the great producing class, but they are not independent of the other classes. The farmer furnishes the food products by which the entire Nation is fed; the consumer furnishes the money to buy the products of the farm; and, therefore, these two great forces should be continued in perfect harmony.

The homes of our farmers, the artisans, and laboring people throughout our great domain are to-day better furnished, have more of the comforts, and are more beautiful than the homes of any other country in the world. The agriculturalists of the country are by far the largest producing class. Their products reached in the past year \$8,926,000,000 in value, a sum which staggers computation. Yet these products would not command such prices as they have for 12 years but for the fact that labor was employed and capital profitably invested, thereby giving to the farmer a good home market. By working together we can continue this prosperity, and I therefore ask that we work in harmony and let well enough alone. One of my constituents, in a letter to me, says:

I am opposed to reciprocity, as it will mean low prices to the farmer for what he has to sell. The Republican Party has always contended that the tariff was intended to build up the home market, and now that we have such a market we desire to retain it, but this agreement would compel us to divide it with the people of another country.

Another writes:

We have been enjoying prosperous times for 12 years, and do not see how we can better them by giving up a part of our market. High prices for all our produce is what we have and want. We have a good thing; why not keep it; think Congress should adjourn at once; the people need a rest if Congress don't.

Our farmers can not understand why they are asked to give up what little protection they have upon their products while the factories and corporations are given protection upon their finished products. One writes:

Why free wheat for the farmers and a duty on flour for the millers? Why free cattle, hogs, and sheep for the farmer and a duty upon meats for the Meat Trust and the packer? Why free oats for the farmer and a duty retained on rolled oats and oatmeal for the breakfast-food producers? Why free hay for the farmer and a duty upon the hay press and stackers? Why free butter, eggs, and poultry and a duty upon lumber?

There is another question. They ask why, when the revenues are low, the outlay great, and the surplus getting near the danger line, is \$5,000,000 of revenue given up? Why lose the revenue, give up the farmers' market, and get nothing in return? Why is the farmer interested? Simply because he does not believe he is given a fair deal. He thinks the agreement

is one-sided. It gives Canada, on all agricultural products, access to our splendid market without the payment of any duty.

Before we pass upon this question, would it not be well for us to see how it is regarded by the leaders in Canada? The prime minister, Sir Wilfred Laurier, in the May number of the *Columbian Magazine*, among other things, says:

Our policy has been, is, and will be, so long as the Canadian people continue to place in us the confidence they have shown us during 15 years, to seek markets wherever markets are to be found. We are, above all, an agricultural people, and under free competition, not bound in any way by tariff legislation. They will displace all other products on the tables of the wealthy. Our object to-day is to open the door of the American market, to open the door of a Nation of 90,000,000, which has been closed to us for the last 50 years.

Again, in the same article, he says:

Canada consumes only 50 per cent of her production of wheat. Where is the balance to go? All along the shores of Lake St. Peter there are natural meadows, a few inches above the level of the water, which are yearly flooded, and which, to the knowledge of everyone in the Province, have been for a hundred years or more growing hay and nothing else. * * * a very considerable population who are growers of hay, and for whom this treaty, if it becomes a law, will be a most positive boon. To-day they can not sell any hay in the United States because there is a duty of \$4 per ton. Let the duty be removed and then immediately there will be an immense trade in that section. * * * The same thing applies in the case of eggs, poultry, and mining products. For this reason it is to our advantage that we should have not only the British market, but the American market also. Then there is the cattle trade. * * * If we are not able to sell all our cattle we can raise in Great Britain there is a more ready market in the United States. Although it was a part of our policy to obtain reciprocity with the United States we have acted carefully in so doing, and have not injured any industry.

The above quotations from the prime minister of Canada should be enough to convince anyone in the United States that the agreement can not benefit the people of the United States. If they are to secure our market of 90,000,000 people for their products without injury to any of their industries, then what will the giving up of that market do to our people? It seems there is but one answer, and that is it will injure our great industry. Do not we lose what they gain?

There is the true reciprocity which the Republican farmers, artisans, merchants, and all others indorse. That is the reciprocity advocated by Blaine, Harrison, and McKinley—reciprocity in noncompetitive articles, reciprocity which provides for a fair exchange, but those statesmen were never in favor of a one-sided proposition that took the duty off of everything the farmer produces for sale and made him buy the necessities of life in a protected market. This is the way President McKinley defined reciprocity in 1897:

The end in view always to be the opening up of new markets for the products of our country by granting concessions to the products of other lands that we need and can not produce ourselves, and which do not involve any loss of labor of our own people, but tend to increase their prosperity.

I have read the speeches of the lamented McKinley and find in none of them a change of the policy advocated by him in 1897. Listen to what he said in his last speech, the one he delivered just before the bullet of an assassin took him to the great beyond. That great man, whom the people honored and loved so well, said at Buffalo:

By sensible trade agreements, which will not interrupt our home productions, we shall extend the outlets for our increasing surplus. A system which provides a mutual exchange of commodities is manifestly essential to the continued and healthful growth of our export trade. We must not repose in fancied security that we can forever sell everything and buy little or nothing. If such a thing was possible it would not be best for us or for those with whom we deal. We should take from our customers such of their products as we can use without harm to our industries and labor. Reciprocity is the natural outgrowth of our wonderful industrial development under domestic policy now firmly established.

So you see the reciprocity he advocated was one which would enable us to "take from our customers such of their products as we can use without harm to our industries and labor." The pending agreement would harm our greatest industry—agriculture.

Mr. GORE. Mr. President, I do not know whether there is any truth in the proverb that misery loves company, but if there be any truth in that adage, I desire to afford the Senator from North Dakota [Mr. McCUMBER] and the Senator from Kansas [Mr. CURTIS] all the wretched rapture resulting from the companionship of misery.

I hold in my hand a speech delivered by the Right Hon. Mr. Sexsmith, a member of the Canadian Parliament. Mr. Sexsmith is a farmer, and in his address he demonstrates, to his own satisfaction, that the approval of the reciprocity agreement by the Canadian Parliament would absolutely shipwreck the agricultural interests of the Dominion of Canada. He demonstrates that it would depreciate the value of their lands, depress the price of their products, reduce the wages of their labor, and that it would subject them to a competition with the farmers of the United States which they could not withstand.

If the Senator from North Dakota imagines that he has painted the darkest picture which it is possible for an artist

to portray, I desire to call his attention to the gloomy prospect portrayed in this picture by Mr. Sexsmith.

Mr. President, I do not believe that either artist has painted true to nature. Both have projected upon the canvas the phantoms of their own overheated fancies rather than the cold facts of international trade and commerce. I desire to ask that this speech be printed in the CONGRESSIONAL RECORD as a companion piece to the speech of the Senator from North Dakota in order that the farmers of the United States may be assured that if this agreement does not result in reciprocal benefit it will at least result in reciprocal ruin.

According to the prophetic vision, according to the equally conclusive and unanswerable argument of Mr. Sexsmith and the Senator from North Dakota, the fair and fruitful fields of the Dominion and of this Republic are destined soon to become a weltering waste of wreck and ruin.

Mr. President, the section of this Union now designated as Arizona and New Mexico was once peopled by a prosperous and enlightened race now known as the Cliff Dwellers. The ruins of their former prosperity still mark the desolate mountain sides of that distant region. They were brought to an untimely end through some unaccountable cataclysm of nature. The remains of those people are still found with their hands clasped upon their mouths as if protecting themselves against the noxious fumes and exhalations from a quaking and distracted earth.

Mr. President, when ruin comes again upon the people of this country, shared by our neighbors to the northward, it will not be through poisoning the air that they breathe. Sir, it will be through a removal of the tax upon the bread that they eat, a removal of the tax upon the wheat and cattle which they import from the Dominion of Canada; and our neighbors will suffer a similar catastrophe from the removal of the tax on the wheat and on the cattle which they import from the United States. I repeat, sir, not from too little breath, but from too much bread.

Some may marvel that such results should flow from this Canadian agreement, but I suppose the fact that it is to precipitate disaster upon both the countries results from that ancient and established canon of philosophy that like causes produce like effects, and it would be unfair for this agreement to precipitate chaos and ruin in the United States without precipitating a similar fate upon the inhabitants of Canada.

I wish to print this speech, so that when these two lands now fair, fruitful, and prosperous, shall become a weltering waste; when the traveler of the future, impelled by curiosity, shall wander through this land, now prosperous, then desolate, he shall find deposited in the corner stone of that mausoleum in which our hopes, our prosperity, and our destiny are entombed the speech of the Senator from North Dakota, accompanied by the speech of Mr. Sexsmith, of the Canadian Parliament, accounting for the catastrophe which overwhelmed this matchless Republic and that splendid Dominion toward the Northern Star.

I ask to have this speech printed.

The PRESIDING OFFICER (Mr. Smoot in the chair). The Senator from Oklahoma asks consent to have the speech he sends to the desk printed in the RECORD. Is there objection? The Chair hears none, and it is so ordered.

The speech referred to is as follows:

SPEECH OF HON. J. A. SEXSMITH IN THE CANADIAN PARLIAMENT
APRIL 12, 1911.

RECIPROCAL TRADE WITH THE UNITED STATES.

Mr. J. A. SEXSMITH, of East Peterborough. Mr. Chairman, ever since the question of reciprocity has come before this House I have been deeply interested in it, because we have been told by the Government and their supporters that it is going to increase the prosperity of the farmer. As a farmer myself and as the representative of a riding composed largely of farmers, it would, of course, be a great pleasure to me to support any measure really calculated to advance the cause of agriculture, because when the farmer is prosperous the Nation is prosperous, and when the farmer is hard up so is the Nation. Reciprocity is a question that requires deep consideration, and it is a question as to which the Government should be armed with facts and figures in respect thereto, so that there may be no guesswork about it at all. I have listened to honorable gentlemen on the other side telling us that the condition of the Canadian farmer is going to be improved by this arrangement, but not one of them has produced a scintilla of evidence to prove these vague assertions. It is really after all a question of the market conditions in Canada as compared with those in the United States. If the United States markets are better for farm products than they are in Canada, then the Canadian farmer would be benefited, as he would be raised to that higher plane which would be occupied by the farmers of the United States under a prevailing condition of higher prices. But, if the farmers of Canada are enjoying equally as good markets as those enjoyed by the United States farmers, then the farmers of Canada have nothing to gain, and, if the Canadian farmers are enjoying better markets than are enjoyed by the farmers of the United States, then we are sure to lose and must be dragged down to their level. I listened to the speech of the minister of agriculture with a good deal of attention and I read it carefully, but I have failed to find one particle of proof from that man in that speech to show that the condition of the Canadian farmer is going to be improved. I am confident that if the Canadian farmers read the speeches of the minister of

agriculture and his supporters, and if they take that reciprocity agreement and study it they will come to the conclusion that it is a delusion, and when the time comes for them to pronounce upon it by their votes, they will declare that they will have none of it. I say without fear of contradiction that the Government went blindfolded into this arrangement. They had it in their power to get all the necessary evidence; they could have made thorough inquiry into the conditions of the markets of the United States and the markets of Canada, and they could have compared the two and told the members of this House and the farmers of Canada just what they were going to get by this arrangement. But apparently the Government neglected to secure any information and rushed blindfolded into this thing without knowing where it would lead to. The Government, not having the information at their command, and having refused to give it if they have it, I have been compelled to go to considerable trouble to hunt up statistics which would enable me to arrive at a reasonable conclusion as to how we stand in trade relations with the United States. Time and again have these gentlemen opposite told us of the benefits the farmers will derive by getting our dairy products into the United States markets, and the minister of agriculture told us the other night that we would sell the United States people what they wanted and send the rest to Great Britain. Well, I have gone into the figures of the exchange of these dairy products between the United States and Canada and vice versa for the last five years; I have taken the imports and exports of butter, cheese, eggs, etc., and if the House will bear with me I shall place them on record. This is the result:

Canada exports to United States.

	1906	1907 (9 months).	1908	1909	1910	Total.
Butter.....	\$36,167	\$35,078	\$43,045	\$54,894	\$201,968	\$371,152
Cheese.....	16,389	6,918	27,247	28,936	63,309	142,799
Total.....						513,951
Eggs.....	11,924	9,047	9,846	14,952	13,896	59,665

Canada imports from United States.

	1906	1907	1908	1909	1910	Total.
Butter.....	\$54,426	\$87,999	\$77,994	\$156,443	\$18,075	\$394,937
Cheese.....	45,904	84,084	116,851	55,030	48,739	350,608
Total.....						745,545
Eggs.....	92,172	142,868	216,278	238,842	179,408	869,568

Total dairy imports.....\$745,545
Total dairy exports.....513,951

Difference in favor of imports.....231,594

Total value of eggs imported.....869,568
Total value of eggs exported.....59,665

Difference in favor of imports.....809,903

I do not anticipate any great advantage from getting our dairy products into the United States market, but I do think that, on the contrary, the United States farmers will reap considerable benefit from being able to compete with us in our home market. The market which the minister of agriculture speaks so highly of, and as to which he said, speaking on the 18th of December, this year:

"To-day in Canada the production of dairy products—that is, milk and its products—is at the least \$100,000,000 a year, and that is at least \$20,000,000 greater than was the product of the cows in 1903. The dairy commissioner goes on to say:

"Our home market is growing at the rate of \$2,000,000 a year, and it is already by far the most important one that we have in point of volume, as it takes fully four times as much as there is surplus for export."

"You will see, therefore, how very important it is in these calculations and discussions not to discard the home market, and not for a moment to base our estimates or our contentions upon the export trade."

We have a home market that consumes \$4 worth of our dairy products to every dollar's worth that we export. That is the market which the honorable minister spoke so favorably of, the market we should guard so religiously, and that is the market that the Government now proposes to throw open to the competition of the whole world. I contend that there is no market for Canadian cheese in the United States to-day, and the conditions are such that we were practically unable last year to supply the market of Canada for butter. Of eggs, we bought from the United States in five years nearly \$1,000,000 worth more than we sold to them. Yet we are told that there is a great market for our farmers in the United States, and that if they get in there they are going to reap a wonderful reward. On December 13 the minister of agriculture, in his speech on cold storage, referred to our poultry product in these words:

"One thing my honorable friend did not allude to was the poultry production. There is no question whatever that to-day there is a far greater production of eggs and poultry meat than there was 10 years ago, and yet the prices of those things are much higher. Why? Because home consumption has increased more rapidly than home production, and the result is that the home market for eggs and poultry meat is better than the export market; consequently, we have practically no export of eggs or poultry to Great Britain and very little to the United States."

At that time the honorable minister was very proud of the home market. He said we should guard it because it is the best market for our farmers, and in that I agree with him. But, sir, when this reciprocity arrangement was brought down, he immediately turned his face away from the farmer to the interests of his party and tried to deceive our farmers into thinking that they will be benefited by this arrangement which the Government, with the assistance of the servile following behind them, are trying to put through. Now, it is one of the most serious things that could happen to the farmers of Canada to have their home market invaded by all the cheap producing countries in the world. Even if the favored-nation clause did not affect us, I contend that our farmers are in a better position to-day than the farmers of the United

States, and we have no reason to open up our market and allow them to come in and compete with us. In answer to a question of Mr. Taylor, of Leeds, on March 9, the following statement was made:

Statement showing the quantity and value of butter and eggs imported for consumption into Canada, by countries, during the month of February, 1911.

	Pounds.	Value.
Butter:		
Great Britain.....	2,800	\$689
Australia.....	15,008	3,000
New Zealand.....	181,826	41,813
United States.....	6,838	1,707
Total.....	206,472	47,209
Eggs:		
Hongkong.....	4,250	193
Chinese Empire.....	11,133	1,673
United States.....	719,315	131,341
Total.....	734,703	133,207

New Zealand is one of the countries that will come in under the favored-nation clause. It is a cheap producing country, and its summer season occurs at the time of our winter season, when the farmers of this country are producing at the highest cost and expect to have a little higher price for their products. If our market is thrown open and New Zealand and all the other cheap producing countries of the world are allowed to pour their products into it, and if New Zealand should send the same average for the 12 months of the year, she would invade the market of Canada in butter alone to the extent of over half a million dollars. I just want to say that if this agreement goes into force the farmers of Canada will get a blow such as they have never received before. Our home market for dairy products consumes over 80 per cent of our total dairy products, but if it is thrown open the whole world will have the privilege of competing with our farmers on even ground. When all these goods come in under duty, what may we expect when we have free trade? The United States are not by any means an importing country. They are producing all they want and to spare. Last year they exported a great amount of dairy products to the various markets of the world. I wish to deal for a little while with our imports and exports of meats. The Government has refused to supply us the market prices, as it should have done, so that I have taken our own trade and commerce reports and our own official records in order to make comparisons. Here is a list of the exports of Canada to the United States from 1906 to 1910:

Bacon and hams:	
1906.....	\$59,551
1907.....	19,190
1908.....	5,211
1909.....	208,945
1910.....	8,569
Total.....	301,466

We imported from the United States as follows:

Bacon and hams:	
1906.....	\$782,330
1907.....	656,225
1908.....	851,807
1909.....	744,694
1910.....	829,242
Total.....	3,858,298

Yet this is the market in which our farmers are told they will be able to sell to better advantage than in the home market. The price of hogs, honorable gentlemen opposite tell us, is greater in the United States than in Canada; but if that be the case, how is it we have been buying such a very large amount from them in excess of what we sell to them?

Take our exports of beef to the United States. We exported as follows:

1906.....	\$6,141
1907.....	11,484
1908.....	12,708
1909.....	14,227
1910.....	12,635
Total.....	57,195

Of all other meats we exported to the United States as follows:

1906.....	\$67,974
1907.....	53,613
1908.....	48,871
1909.....	60,164
1910.....	61,508
Total.....	292,130

And the total of all their exports amounted to \$650,863.

Compare that with our imports. We imported from the United States beef salted in barrels as follows:

1906.....	\$159,848
1907.....	131,718
1908.....	137,525
1909.....	122,668
1910.....	122,444
Total.....	664,203

Of canned meats, poultry, and game we imported from the United States as follows:

1906.....	\$82,805
1907.....	28,062
1908.....	27,596
1909.....	30,412
1910.....	45,460
Total.....	214,335

Let me now give the figures of the other meat products imported from the United States. I have already given the imports of bacon and hams:

	1906	1907	1908	1909	1910	Total.
Extracts of meats and fluid beef, not meats and soups....	\$64,081	\$33,297	\$45,503	\$40,699	\$52,436	\$236,016
Meats dried or smoked, etc.....	155,288	136,574	144,674	69,328	87,302	593,166
Pork, barreled in brine.....	816,416	634,732	713,726	889,892	924,547	3,979,333
Poultry and game....	38,481	40,363	52,175	45,525	57,390	233,934
All other meats.....	82,037	76,784	100,538	117,572	161,274	538,257
Lard.....	632,526	584,275	1,073,440	1,228,293	1,358,313	4,897,047
Lard compound.....	18,818	17,427	54,167	52,538	53,867	196,817

The total value of meats and meat products, including bacon and hams, imported from the United States during these years amounted to \$15,411,466, whereas our exports of these goods to that country only amounted to \$650,863. There is no use comparing our imports with our exports for one year; there is no use comparing the market of one little village on this side with that of one little village on the other side. We have to make a comparison during a number of years, and deal with it from a national standpoint. There is no doubt that in some places it might work to the advantage of the individual farmers, but, on the whole, it will be a detriment to the farming community of Canada. The total value of hogs and hog products imported from the United States during these five years was \$15,411,466. In the same period we succeeded in selling to them hogs and hog products to the amount of \$650,863. Is there any honorable member of this House who, in the face of these figures, would say that the market for hogs and hog products is better in the United States than in Canada? Is it reasonable to think that they would leave higher prices and a better market and sell their product here at lower prices?

Mr. TAYLOR of Leeds. And pay a duty?

Mr. SIXSMITH. And pay a duty. The figures show that the farmers of the United States sold us in five years \$14,760,543 more than we sold them. In the face of this fact it is absurd to tell the farmers of Canada that we are going to get a better market for hogs and hog products, beef cattle and beef, than we have in Canada. This proposed change would simply mean that we should be subject to the Beef Trust of Chicago. Our local packing establishments, instead of being able to control the market of Canada and to ship to Great Britain, where we have had the best market in the world—a market that sets the price for the bacon of the United States as well as that of Canada, and where we have been able to compete and have established a standard for our bacon that far surpasses that of the bacon of the United States—will come under the domination of the American trust. Let me read a few words from the speech of the minister of agriculture of February 28 last on this subject of reciprocity. And if there is any member of this House who more than another should lay the plain facts before the people it is the minister of agriculture, for the farmers look to him and expect him to give them guidance and not to deceive them. Speaking of the Beef Trust of Chicago, the minister of agriculture on that occasion said:

"I said a moment ago that the packing houses would not disappear. I think my honorable friend had in mind particularly the packing houses in Winnipeg. I have heard it said that the packing houses in Winnipeg would disappear, because Chicago would swamp them when the whole west is thrown open and made subservient to the Chicago market. What is the condition of affairs to-day in the United States? Does the Chicago packing business swamp the packing houses in Kansas City, in Omaha, or in South St. Paul? We know, if the honorable gentleman does not know, that these cities are doing a large packing-house business. I have here some figures to show what that business is in comparison with the packing houses of Winnipeg."

The minister goes on to show the difference between the packing houses of Kansas City and Omaha and the packing houses of Winnipeg: "In Kansas City last year the local killings of cattle were 1,284,000; of sheep, 1,186,000; of hogs, 1,900,000. The local packing and abattoir establishments of Kansas City showed, of cattle, 773,000; of sheep, 1,256,000; of hogs, 1,656,000. In South St. Paul the local killings were 169,000 cattle, 207,000 sheep, and 823,000 hogs."

"Compare Winnipeg: Cattle, 80,000; half of those in St. Paul; one-tenth, about, of those in Omaha; one-fifteenth of those in Kansas City. Sheep, 30,000; one-seventh of those in St. Paul; one-fortieth of those in Omaha; one thirty-fifth of those in Kansas City."

"Hogs, 91,000; one-ninth of those in St. Paul; one-twentieth of those in Omaha; one-twentieth of those in Kansas City."

That is, the minister, in discussing the question of the great Chicago Beef Trust, tried to make this House and the people believe that there was no danger of that trust coming into Canada or injuring the packing industry in Winnipeg. The reason he gives is that the packing houses in the western cities flourished in spite of the Beef Trust. But see what he was compelled to admit a moment or two afterwards when he was questioned by my honorable friend from East Lambton [Mr. Armstrong]:

"Mr. ARMSTRONG. I merely want to ask the minister if it is not a fact that these large meat-packing firms in Kansas City, Omaha, and St. Paul are a part of the Meat Trust? I have visited these cities frequently and I know what I am talking about."

"Mr. FISHER. If my honorable friend says that he knows they are, I will not dispute it. I do not know that they are, and I therefore will not say whether they are or not. But that does not make any difference."

I would ask the minister of agriculture: Is that a fair speech to send out to the farmers of this country? Does that give our farmers an intelligent view of things as they really are—to make it appear that there was no danger to our bacon and our beef industry from the Beef Trust of Chicago? I have no hesitation in saying that if this arrangement goes into effect the whole meat business of Canada inside of two years will be under the great combine, the Meat Trust of Chicago, and that trust will pay the farmers of Canada just what it pleases. I pointed out to the minister of agriculture a year ago, and I think in the year previous to that, that the farmers seemed to think they were laboring under certain grievances by reason of the packing industry in this country; that these people had pressed the market down in cer-

tain seasons of the year. The minister said that he would have the matter investigated. And this is the result of his investigation: He finds difficulties that might be overcome by proper legislation, but in order to avoid this he says, "Take down the bars, and we will have free trade."

Now, a word or two on the question of the throwing open of our markets to the foreign countries that are allowed to enter under this arrangement. The minister of agriculture, on the 13th of December last, told the House that the Canadian farmer was not in a position to compete with the Australian farmer in raising sheep and cattle. He told us that the conditions in Australia were entirely different. This is what the minister said:

"As I am not acquainted with the details of the business, I would not undertake to say whether my honorable friend is right or wrong. My honorable friend is quite right in saying that the number of sheep has decreased in Canada, but when he compares that with the increase in Australia, Argentina, South Africa, and other countries he is drawing a comparison with countries in which the climate and other conditions are entirely different."

These are the words of the minister himself:

"Australia, both as regards sheep and cattle, is a ranching country. The cattle there run wild over enormous areas and are not taken care of at all. Sheep are in the same position. They have illimitable expanses for pasturing, which we have not, and they have a climate more suitable for that kind of wild life than ours. Therefore a comparison between Canada and Australia in this regard is not a fair one."

Now, the minister of agriculture admitted on the 13th of December that the conditions in Australia were so different from those in Canada that the Canadian farmer could not compete with the Australian farmer in raising beef or sheep. But to oblige our American cousin he says we will allow the farmers of Canada to come into competition with Australia; we will allow Australian beef to come into this country; there is no longer any danger in allowing Australian beef and mutton to come into Canada. Now, I say he is entirely wrong. I wish to quote an article that appeared in one of the Toronto daily papers on April 11: it is headed "Will ship meat from Australia":

"Mr. Arthur Kidmar, chairman of the perishable foods committee of the Chamber of Commerce at Sydney, New South Wales, is at the King Edward. He is breaking his return journey for a day in Toronto, and leaves for home via Chicago this afternoon. Mr. Kidmar is largely interested in the meat, butter, and egg packing industry in Sydney, and has been spending the past year in a tour of inspection through Great Britain, France, Germany, and other parts of Europe, studying particularly the abattoir systems and methods of exportation in the continental centers of the packing industry. He has also been arranging, in behalf of the Sydney chamber, for the exportation of food products from Australia to Great Britain and America. Shipments will be made immediately to Toronto and Montreal, and shortly also to New York."

Mr. TAYLOR of Leeds. And they pay a duty of 3 cents a pound.

Mr. SESSMITH. This man says that shipments will be made immediately under present conditions, paying a duty, either to Toronto or to Montreal. Now we propose by this arrangement to take off the duty, and let them send into Canada as much meat as they like, and that from a country that the minister of agriculture said a few weeks ago was one that we could not compete with on even terms. Now, speaking of the United States market, and what we are to gain, I want to quote some figures of their exports in the articles I have been mentioning:

Eggs, United States exported in 1909, 5,207,151 dozen, valued at.....	\$1, 199, 522
Butter, United States exported in 1909, 5,981,265 pounds, valued at.....	1, 268, 210
Cheese, United States exported in 1909, 6,822,842 pounds, valued at.....	857, 091
Condensed milk, United States exported in 1909.....	1, 375, 104
Lard, United States exported in 1909.....	52, 712, 569
Pork, pickled, United States exported in 1909.....	4, 599, 431
Ham and shoulders, cured, United States exported in 1909.....	23, 525, 307
Bacon, United States exported in 1909.....	25, 920, 490
Beef, fresh, United States exported in 1909.....	12, 698, 594
Beef, salted and pickled, United States exported in 1909.....	3, 438, 048

Total meat and dairy products in 1909..... 166, 521, 949

And we are to come into competition with a country with a home market 10 times greater than that of the Canadian people—a home market that exports 10 times more than Canada does. I want to say a word to show what conditions really are in our home market. In the Province of Ontario I find that the total number of swine slaughtered during the year 1909 was 1,986,432, valued at \$21,407,549. Our total exports of hogs and hog products for the same year, for all Canada, amounted to only \$6,915,577. Thus we see that Ontario alone has produced three times more hogs and hog products than the total exports of all Canada in the year 1909. Is it therefore reasonable to say that the home market is not the best market the Canadian farmer has? In 1909 the Province of Ontario produced \$184,747,900 worth of live stock, and there were sold or slaughtered in that Province alone in the same year \$64,464,923 worth. So, in the Province of Ontario alone, as a home market, we have disposed of over \$64,000,000 worth of beef and other cattle, whereas our total exports of cattle from all Canada during the same year only amounted to \$12,254,287. And yet we are told by the minister of agriculture that our home market is not as valuable as it was a few months ago, and we must discard it, and allow all the countries of the world to come in and enjoy it. I do not see the minister of customs in his seat, but I wish to refer to what he said a few evenings ago, in discussing dairy products. He did not care to discuss them in bulk, but for some reason or other, I suppose for political reasons, he reduced pounds of butter to ounces, and reduced dozens of eggs to units, and then told us that we only import two or three eggs and two or three ounces of butter per capita into the Dominion. Let me give you a few figures prepared in the same way. Take the meat products. We bought from the United States annually the last few years \$2.10 worth for every man, woman, and child in Canada, while we only sold to them seven-tenths of 1 per cent per capita. Now, I will speak about potatoes, and let me first read from Hansard what the minister of agriculture says about potatoes on the 28th of March:

"In 12 years of high duties the United States accepted from Canada \$11,000,000 worth of potatoes more than they sent into Canada. Surely if we can get those potatoes into the States without duty, it will be to the advantage of our potato raisers."

I put a question on the order paper and received the following answer from the minister of customs:

(1) The quantity and value of potatoes (Canadian produce) exported

from Canada to the United States during the fiscal years from 1901 to 1910, inclusive, was as follows:

	Bushels.	Value.
1901.....	231, 101	\$68, 151
1902.....	808, 041	327, 046
1903.....	138, 855	56, 969
1904.....	1, 451, 070	742, 537
1905.....	34, 870	18, 301
1906.....	473, 239	128, 363
1907 (9 months).....	8, 941	4, 250
1908.....	34, 392	15, 459
1909.....	574, 454	251, 907
1910.....	678, 632	345, 903

(2) The quantity and value of potatoes imported into Canada from the United States during the fiscal years from 1901 to 1910, inclusive, was as follows:

	Bushels.	Value.
1901.....	136, 666	\$88, 649
1902.....	81, 771	87, 970
1903.....	407, 425	228, 609
1904.....	77, 028	78, 025
1905.....	518, 875	232, 044
1906.....	227, 155	126, 163
1907 (9 months).....	94, 521	71, 065
1908.....	249, 907	195, 650
1909.....	127, 110	129, 725
1910.....	217, 170	181, 751

I notice the total exports of potatoes during 10 years from Canada to the United States were \$1,958,886, while our imports from the United States were \$1,419,651, a difference of \$539,235 in favor of the United States. This is the great market of which we hear so much. Potatoes and hay are the only farm products that we have been able to export to the United States in greater quantity than we have received from them, but this is the market they are going to give us. It is on statements of that kind that we are asked to settle this great question. I have not gone into the figures since confederation, but I think I am safe in saying that the United States have not admitted a million dollars' worth of our potatoes more than sent to United States since confederation, let alone the \$11,000,000 worth in 12 years of which the minister spoke.

I shall quote our exports and imports of vegetables. During five years we imported from the United States \$3,368,083 worth of vegetables. We sold to them \$2,021,054, a difference in favor of the United States of \$1,347,029. And yet our market gardeners are told: "Oh, you are all right, you are perfectly safe; you get the United States market, you can ship your potatoes and vegetables there." But they have been invading our markets and selling millions and millions of dollars more to us than we have been able to sell to them.

I have labored hard in the effort to come to some reasonable conclusion in connection with our wheat trade. I have consulted the statistics of the United States, and their market prices, and compared them with Canadian statistics for the last 15 or 20 years. I do not know that it would be wise to take up time by reading prices for 20 years, so I shall read them for the last 10 or 15 years, and give the averages. I shall take from the Toronto Globe the prices for No. 2 white wheat on December 1 in each year; that is, the prices paid to the farmers in Toronto, the United States, and Winnipeg:

Wheat.

	No. 2 white: Price per bushel, Toronto, Ontario, Dec. 1 each year. ¹	Market value United States: Stat. Abstract, Dec. 1 each year. ²	No. 1 northern: Price per bushel, Winnipeg, Dec. 1, each year. ³
	Cents.	Cents.	Cents.
1890.....	93	83.8	75
1891.....	90	83.9	91
1892.....	64-66	62.4	73
1893.....	57	53.8	65
1894.....	57	49.1	58
1895.....	65-65½	50.9	55
1896.....	85	72.6	81½
1897.....	83	80.8	92
1898.....	68	58.2	69
1899.....	65	58.4	65½
1900.....	64-64½	61.9	76
1901.....	72	62.4	71
1902.....	68½	63.0	71½
1903.....	77½-78	69.5	79
1904.....	100-101	92.4	91½
1905.....	79-80	74.8	75½
1906.....	71	66.7	72½
1907.....	95-96	87.4	102
1908.....	93-94	92.8	99½
1909.....	100-105	99.8	96
Average for last 20 years.....	77-75	71.23	78.95
Average for last 10 years.....	82-60	77	85.40

¹ Quotations Toronto Globe. ² Ann. Rep. Dept. Agriculture. ³ Various sources.

I notice, according to these statistics—and they are the only reliable statistics we can get—that the price of wheat to the farmers of the United States for the last 10 years has been lower than the price to the farmers of Canada, even in Winnipeg. We have been told that the wheat production of the United States is falling off, and that in a short time they will require some millions of bushels from the Canadian

farmer to supply their own market. The minister of agriculture, speaking on the reciprocity question, said:

"This makes a total acreage in our Northwest of 213,000,000 acres within the wheat-producing area. I do not mean to say that all this land will produce wheat, or will ever be under wheat, but I do not think it would be out of the way for me to say that, in the course of 15 or 20 years, one-quarter of that land, say 50,000,000 acres, will be producing wheat. When that time comes, the Canadian Northwest will produce 1,000,000,000 bushels of wheat. I venture to say that the farmers will need not only the home country and the American market, but also the European market in which to sell that wheat. When that time comes, there is no doubt, there will be in the United States from 150,000,000 to 200,000,000 people, and they will need at least 250,000,000 to 300,000,000 bushels of wheat."

Nothing could be further from the mark than the conjecture of the minister in this respect. I have gone over and taken the production of the United States wheat crop for several years, and the figures taken from the statistical abstract show the following results:

United States production of wheat in each year from 1891 to 1901.

	Bushels.
1891	611,789,000
1892	515,949,000
1893	396,132,000
1894	400,267,000
1895	467,103,000
1896	427,684,000
1897	530,149,000
1898	675,149,000
1899	547,304,000
1900	522,230,000
Total for 10 years	5,153,756,000
Average for one year	515,375,600

United States production of wheat in each year from 1901 to 1910.

	Bushels.
1901	748,460,000
1902	670,063,000
1903	637,822,000
1904	552,400,000
1905	692,979,000
1906	735,261,000
1907	634,087,000
1908	664,602,000
1909	737,189,000
1910	691,769,000
Total for 10 years	6,764,632,000
Average for one year	676,463,200

Last 10 years product, 515,375,600 bushels, an average of 161,087,600 bushels more per year than for previous decade.

They have increased their production during the last 10 years over the previous 10 years on an average by 161,000,000 bushels of wheat per year. That is to say, that in the last period of 10 years they produced each year 161,000,000 bushels more than they did during the 10 years previously. The minister of agriculture told us that in a few years the people of the United States would be consuming all the wheat they could produce, and would require from 150,000,000 to 200,000,000 bushels of wheat per year from us for home consumption. Nothing could be further from the mark. Their increase in the production of wheat in the last 10 years over the previous 10 years is annually greater than the total production of all Canada. Figuring that on the average per capita consumption of the United States for the last 20 years, or for the last 30 years, if you like, at 5.38 bushels per capita, we find that their increased production in the last 10 years was capable of feeding 30,000,000 people, while their increased population was only 16,000,000 people. Instead of the population gaining on the production the production has actually increased twice as rapidly as the population. The United States is now producing wheat for 140,000,000 population, and it is safe to say that in the next 20 years they will be producing for a population of 200,000,000. Where, then, is the market for our Canadian wheat? Why do the Americans want our wheat? Last year they had 48,000,000 acres under wheat, and the American farmer is an aggressive farmer, and under a proper system of farming, if they bring up their production per acre to the standard of Canada, they will be producing in the next few years nearly 1,000,000,000 bushels of wheat annually. Why, then, do they want our wheat?

Mr. TAYLOR of Leeds. They want it to mix with their wheat for export flour.

Mr. SEXSMITH. That is it. I do not think I can explain that better than by reading this from the Ontario Miller, published on February 8, 1911:

"WHEAT AND FLOUR.

"When it is considered that owing to the high quality and superior strength of the wheat grown in the newly opened Canadian northwest, 1 bushel mixed with 3 bushels of the less virile wheat grown in the United States, and ground into flour, is sufficient to raise the whole to high value, it is apparent that the free importation of this wheat would not only fail to depress the price of American wheat, but would actually give it added value, because it would enable the American miller to use the Canadian product as a leaven to raise the value of his mixture; thus every bushel of Canadian wheat exported as flour by the American miller would carry with it a much greater amount of wheat grown in the United States.

"The miller who is able to grind this enormous crop will be the miller of the future, and where he is there will be the great mills of the world.

"With free Canadian wheat secured, the prospect is a grand one, with this enormous and steadily increasing crop free to pursue its natural geographical and commercial channel flowing into the mills and elevators of the States, a splendid tide of activity and prosperity would follow in its wake. Assured of their future supply of raw material, the mills of America would go forward on their developing course, continuing the march of progress which has brought them to the front. New mills would be built and capacities enlarged. New markets abroad would be sought and conquered.

"The returns from this renewed and extended activity would be felt in increased commercial prosperity. New railways would be extended into the wheat-growing territory; American railroads carrying the flour from the mills would secure additional freights; American banks would obtain increased deposits and greatly enlarged exchange accounts;

American mill operators would be in demand and pay rolls would be increased; mill machinery, bags, barrels, and other mill supplies would be required in large quantities; more money would be in circulation and the benefit would be felt in every artery of industrial life touched by the milling.

"There would be an increase in grain firms, in elevators, and in every branch of the grain-handling and flour-making interests.

"This would be felt in the added value of real estate and in the solid and substantial development of every undertaking and enterprise that makes a community prosperous. Farmers would find a market for their products, and in the end, should this crop be assimilated here rather than abroad, they will secure an average higher price for their wheat, because of the ability of the progressive and successful miller to pay more for his raw material.

"Canada will lose in transportation, manufacturing, in wages paid expert labor, in wages paid all workmen, in goods supplied, in machinery, bags, and barrels.

"But the greatest loss would be in the by-products which Canadian farmers so much need."

Now, I wish to read from President Taft's speech before the Corn Exchange in Columbus, Ohio, on February 10. He was speaking from the farmer's standpoint, and he went on to show that they had nothing to fear from reciprocity with Canada, but that they had considerable to gain from getting into the Canadian market, because of the majority of commodities raised on the farm the Canadian people had been buying more from the United States than the United States had been buying from Canada. The President then goes on to say:

"Canada is our neighbor on the north for 3,000 miles. Her population is English, Scotch, and French. Her soil is like ours. Her traditions are the same as ours. Her language is ours. Her climate is temperate like ours, except that her growing seasons are shorter and she can not raise corn in any great quantity. She has a free popular government with a wage-earning class as intelligent and as well paid as ours. It is difficult to see in what respect her farmers have any advantage over our own except a virgin soil in the far northwest.

"How is the farming to be hurt?" he asked. He then took up the effect it would have on corn and wheat prices, on the value of farm lands in the United States, and on the milling industry in the United States. He declared that 'in respect to corn the American farmer is king and will remain so, reciprocity or no reciprocity.' As to wheat, he said the domestic price is governed by the world price, and that 'the sending of any part of Canada's surplus through our country instead of through Canada to be milled or to be exported without milling will not perceptibly or materially affect the price of wheat for our farmers.'

"The value of farm lands," he said, 'is affected by the proximity to market more than by any other element,' and he maintained that the American farmer would still have the advantage in this respect. He also predicted a great increase in American milling as a result of the agreement.

"It is a mere truism," said the President, 'to say that the farmers of a country constitute the greatest wealth-producing class of the country and that it is of the greatest importance to conserve their welfare. When we have had good crops the wheels of all industries have moved and wealth has been stored. Any one, therefore, who would initiate a policy to injure the farmer has much to answer for at the bar of public opinion.

"The greatest reason for adopting this agreement is the fact that it is going to unite two countries with kindred people and lying together across a wide continent in a commercial and social union to the great advantage of both. Such a result does not need to be justified by a nice balancing of pecuniary profit to each. Its undoubted general benefit will vindicate those who are responsible for it. I say this in order that by answering the arguments directed to the detailed effect of the agreement upon different classes of persons I may not be thought to abandon the broad ground upon which the opportunity to confirm this agreement ought to be seized.

"Taking up first the effect of the agreement on corn, he said: 'The total production of corn in the United States in 1910 was 3,125,713,000 bushels, of which we exported 33,072,209, and used the rest in domestic consumption, chiefly in raising cattle and hogs, of which in live cattle and packing-house products we exported in value \$135,985,212."

I would like to know how the farmers of Canada are going to gain by getting into the markets of the United States for their beef and pork products, a country that is competing with Canada in the markets of Liverpool, that sets the price for the farmers of the United States as well as for the farmers of Canada, and a country which, according to the President himself, exported last year \$135,985,212 worth of beef and pork. The President went on to say:

"The Canadian product of corn was 18,726,000 bushels, or six-tenths of 1 per cent of the total production of the United States. We exported 6,000,000 bushels to Canada. Certainly in respect of corn the American farmer is king and will remain so, reciprocity or no reciprocity. Indeed, the change will greatly help him by increasing his supply of young and thin cattle, now very scarce, for feeding with his corn and making good beef."

They propose to go to our Northwest and buy up our thin cattle and take them over to fatten on their own farms, and, as the honorable member for Brandon said, that country will become the backdoor of Chicago. But the President went on:

"But it is said that the farm land of Ohio, Indiana, Illinois, Iowa, Wisconsin, and other States is much more valuable than the land in Manitoba, Saskatchewan, Assiniboia, and Alberta, the four great Northwestern Provinces of Canada, and that to give Canadian farmers free entry of products raised on cheaper lands will be certain to lower farm lands in value in this country. Nothing could be further from the fact. Canadian lands are farther removed from the Minneapolis and Chicago markets than the lands of Minnesota, Wisconsin, Iowa, or Illinois, and proximity to market is a most important element in the value of farm land. Then the natural change in farming in this country is from the raising of grain for export to the raising of grain for farm consumption and development of the secondary products in the forms of cattle and hogs. The live cattle are bought and fattened. The hogs are raised and fed. It is farming of this kind that explains the high value of farm lands in Illinois and Iowa."

The President goes on to argue that where the finished article is produced the high-priced land is, and we propose by this arrangement practically to compel the farmers of Ontario and of the western Provinces to sell their thin cattle to the United States to be fattened on their farms. The President continued:

"The difference in the value of the acre between Manitoba and Minnesota is but little more than \$3, while the difference between Minnesota and Wisconsin is \$60; between Wisconsin and Illinois is \$52; between

Wisconsin and Iowa is \$40; between Michigan and Indiana is \$31. These figures show incontestably that the fear of a reduction in farm-land values of this country by letting in Canada's products is wholly unfounded.

"The price of wheat, less transportation and other charges for warehouse and delivery, is fixed by what all the wheat-exporting countries, including the United States and Canada, can get for their surplus in Liverpool.

"Hence the sending of any part of Canada's surplus through our country instead of through Canada to be milled or to be exported without milling will not perceptibly or materially affect the price of wheat for our farmers.

"Open up the markets of Minneapolis and Chicago, giving the transportation and warehousing facilities of our Northwest, and the Canadian farmer will get for his wheat practically what the American farmer gets, less the higher freight charges due to greater distance from market. In other words, the advantage we give the Canadian farmer will not hurt our farmer, for the price will remain the same."

Where do you find that the Canadian would get a higher price for his wheat under this agreement? President Taft says it will make no difference; or, in other words, that the agreement will not hurt the American farmer. He goes on to say:

"But by patronizing our elevators, our flour mills, our railroads, he will secure admission to the world's market at a less cost to himself, while we will secure the advantage of increased trade for our elevators, our mills, our railroads, and our commission men.

"The United States secured for the farmers the free listing of such important agricultural products as cottonseed oil, all kinds of fruits and vegetables, timothy and clover seed, eggs, and numerous other products in which the movement to Canada from the United States is much greater than from Canada to the United States. The remission of \$1,800,000 in duties on rough lumber imported into the United States by free listing it, along with pickets and palings, and the heavy reductions on dressed lumber, laths, and shingles are all in the interest of the farmer.

"Let the agreement be adopted and go into operation and in six months the farmers on the border who now have fears will rejoice in this great step toward closer business and social relations with our neighbors. The whole country—farmer, manufacturer, railroad company, middleman, warehouseman—all will be the gainer."

That is the argument of President Taft, and I submit that what he predicts is exactly what will take place if we allow this treaty to go through.

Just a word in conclusion about our horse market. We are told that the Canadian horse market will not be injured, but so good an authority as my honorable friend from Dundas, Mr. Broder, pointed out to the satisfaction of every honorable member of this house that the market for horses in the United States is not as good as that in Canada. He showed that the average price received by the farmers in the United States for horses last year was \$118, while the Canadian farmers received \$133. I have here a table showing the quotations in Toronto and Chicago on March 24, 1911:

Horses.

	Toronto.	Chicago.
Heavy draft:		
Choice, 1,650 pounds and over.....	\$260-\$350	\$225-\$325
Fair, 1,650 pounds.....	200-250	200-225
Choice, 1,500 pounds and over.....	250-300	175-225
Fair, 1,500 pounds.....	160-200	150-200
Agricultural—		
Good.....	160-225	165-200
Fair.....	100-150	100-180
Express horses.....	175-250	160-250
Drivers.....	150-200	175-300
Saddlers.....	150-275	160-350

With the exception of drivers and saddle horses, the prices at Chicago are lower than those in Toronto. The heavy horses which our farmers have been producing are lower in Chicago than in Toronto, and the market for Canadian horses to-day is our great northwest. That will be our market for years to come. But by this arrangement we are allowing the American farmers, who are closer to our western country than are the farmers of Ontario and Quebec, to sell their horses there on equal terms with our own. Even the Province of Manitoba, which has horses to sell, will have to meet that American competition.

I have here a letter written by one of the greatest horsemen in the Western States regarding the effect which this reciprocity pact is likely to have. This letter is written by Mr. R. F. Williams, of St. Paul, representing one of the largest horse-dealing firms in the United States—Barrett & Zimmerman. He writes as follows:

"To the Farmers:

"In compliance with your request, we are glad to state our view of the proposed reciprocity treaty with Canada, from the standpoint of horse raisers, breeders, and dealers.

"Minnesota and adjoining States are rapidly forging to the front as horse-raising States. The high price of horses during recent years has caused every farmer in our Northwest to buy brood mares and plan to raise a few market horses, thinking the great demand, caused by the settling up of new lands in the West, would continue. The lands available to homestead entry are about settled up."

He is speaking of the United States, of the Western States, where some years ago homesteads were being opened up and there was a demand for horses. Now, however, he says, all that country is practically taken up, and there are no new settlers coming in, as in the Canadian northwest, and consequently the market for horses has decreased:

"The lands available to homestead entry are about settled up, and the demand for horses with which to open up new lands is on the decrease. Moreover, the automobile is taking the place of horses in our large cities. With a rapidly decreasing horse demand at home—"

I would like some honorable gentleman opposite to listen to this, who tell us that reciprocity will not affect our horse market—

"With a rapidly decreasing horse demand at home and a great increase in the number of colts foaled annually, the American horse raiser will soon have a large surplus of horses; and if we do not have a market for them horses will take a decided drop in value in the very near future. It is evident that the only logical market the American horse raiser can hope for is western Canada."

Now, I would like the farmers of Ontario who are engaged in the breeding of heavy horses to notice this:

"No country in the world needs so many horses as western Canada. With the duty off thousands of carloads of American horses will be shipped across the line in the next few years and practically double our local markets and give an outlet for all the surplus horses our farmers raise at stable and profitable values."

I would like to know how the horse raisers of the Dominion of Canada are going to come out on this phase of the reciprocity pact. We have a great market in Canada for horses. The Americans engaged in the horse trade admit this themselves—that it is the only growing market on the continent of America. We have hundreds of thousands of immigrants pouring into the West, and they can not bring their horses with them. The farmers of Ontario and Quebec can raise these horses and supply them just as well as the farmers of Minnesota and adjoining States. And I believe that the farmers of this country are entitled to their home market without being intruded on by the Americans. Just to show what our interprovincial trade has been in horses, I looked up the Ontario statistics, and I find that in 1909 Ontario sold horses to the value of \$9,825,476, while we only exported \$783,194 worth. Now, I would like to ask the minister of agriculture where these horses were sold? These horses were sold in the Dominion of Canada—that is, the farmers of Ontario disposed of them to the people of our own country, and a majority of these horses, I am convinced, went into the western market, which we have now lost.

Mr. TAYLOR of Leeds. If this bill goes through.

Mr. SEXSMITH. If this bill goes through; but I have great hopes that it will never go through.

In conclusion, I am opposed to this pact as a Canadian farmer. After going into the facts and studying the markets from an unbiased standpoint, I feel it my duty to oppose it, and to oppose it to the utmost of my ability. I oppose it because I am a Canadian citizen, and because I can see nothing else in it but the breaking up of our federation. I oppose it as a British subject, because, to my mind, it will lead to separation from the British Empire. We are told, you preach loyalty. Well, I have heard a great deal of loyalty preached on the other side of the house. They say that there is no danger, as they put it; if I trade with a Jew that does not make me a Jew. Perhaps that is logical, but it reminds me of the old Biblical story of Abraham and Lot. These honorable gentlemen opposite tell us that we can run our trade channels north and south instead of east and west; that we can deal with these Americans, but we will not become annexed. I remember how we are told that Abraham said to Lot: "Let there be no strife between me and thee or between thy herdmen and my herdmen." He said: "You take east and I will go to the west." Abraham knew well what kind of a man Lot was—eager to grab all the dollars he could. Lot, with covetous eye, looked toward Sodom, the low-lying, well-watered land, and he pitched his tent toward Sodom. He had heard of the people of Sodom, of course. He said: "I will go down and deal with these people; there is no danger that because I deal with them I shall ever become their fellow citizen." And he went down, and they began to deal with him. After a while he said: "Why, these are very fine people," and directly they were wining and dining together. And a short time afterward what took place? Why, Lot's family were intermarried with these people of Sodom, and they became one people, and Lot lived in Sodom. But Abraham remained out in the high altitude and in the open and became the head of a great nation.

Mr. BRISTOW. I submit an amendment to the pending bill, which I ask may lie on the table.

The PRESIDING OFFICER. The amendment will lie on the table and be printed.

Mr. NELSON. Mr. President, I desire to state that to-morrow at the conclusion of the remarks of the Senator from Ohio [Mr. POMERENE] I shall ask the indulgence of the Senate to submit some remarks on the pending bill.

HOOR OF DAILY MEETING.

On motion of Mr. PENROSE, it was

Ordered, That the hour of daily meeting of the Senate be 12 o'clock meridian until otherwise ordered.

EXECUTIVE SESSION.

Mr. CULLOM. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 25 minutes spent in executive session the doors were reopened, and (at 4 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Thursday, June 15, 1911, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate June 14, 1911.

ASSAYERS IN CHARGE OF MINT.

William M. Lynch, of Louisiana, to be assayer in charge of the mint of the United States at New Orleans, La., under the provision of the legislative, executive, and judicial appropriation act approved March 4, 1911.

Andrew Maute, of Nevada, to be assayer in charge of the mint of the United States at Carson, Nev., in place of Roswell K. Colcord, resigned.

SURVEYOR GENERAL.

Jerome G. Locke, of Livingston, Mont., to be surveyor general of Montana, vice John Frank Cone, term expired.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

Maj. John F. Morrison, Twentieth Infantry, to be lieutenant colonel from June 7, 1911, vice Lieut. Col. Edgar W. Howe, Eleventh Infantry, retired from active service June 6, 1911.

Capt. Vernon A. Caldwell, Seventh Infantry, to be major from June 6, 1911, vice Maj. Robert Alexander, Infantry, unassigned, detached from his proper command under the provisions of an act of Congress approved March 3, 1911.

Capt. Edmund L. Butts, Infantry, unassigned, to be major from June 7, 1911, vice Maj. John F. Morrison, Twentieth Infantry, promoted.

MEDICAL CORPS.

Lieut. Col. Henry P. Birmingham, Medical Corps, to be colonel from June 7, 1911, vice Col. Aaron H. Appel, retired from active service June 6, 1911.

Maj. Henry C. Fisher, Medical Corps, to be lieutenant colonel from June 7, 1911, vice Lieut. Col. Henry P. Birmingham, promoted.

Capt. Cosam J. Bartlett, Medical Corps, to be major from June 7, 1911, vice Maj. Henry C. Fisher, promoted.

APPOINTMENT IN THE ARMY.

Second Lieut. Horace T. Aplington, Twenty-second Infantry, to be second lieutenant of Cavalry with rank from February 11, 1911.

APPOINTMENTS AND PROMOTIONS IN THE NAVY.

Rear Admiral Reginald F. Nicholson to be a rear admiral in the Navy from the 24th day of June, 1910, in accordance with a provision contained in an act of Congress approved on that date.

Paymaster Gen. Thomas J. Cowie to be a paymaster general in the Navy, with the rank of rear admiral, from the 1st day of July, 1910, in accordance with a provision contained in an act of Congress approved June 24, 1910.

The following-named ensigns to be assistant naval constructors in the Navy from the 9th day of June, 1911, to fill vacancies:

Edmund R. Norton, and

Andrew W. Carmichael.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 13th day of February, 1911, upon the completion of three years' service as ensigns:

Julian H. Collins, and

Stuart W. Cake.

The following-named citizens to be second lieutenants in the United States Marine Corps from the 9th day of June, 1911, to fill vacancies:

Bernard F. Hickey, a citizen of New York,

John L. Doxey, a citizen of Arkansas,

Archibald Young, a citizen of New York,

John A. Gray, a citizen of Maryland, and

Andrew M. Jones, a corporal in the United States Marine Corps.

UNITED STATES DISTRICT JUDGE.

Foster V. Brown, of Tennessee, to be United States district judge for the district of Porto Rico, vice John J. Jenkins, deceased.

UNITED STATES DISTRICT ATTORNEY.

Arthur J. Tuttle, of Michigan, to be United States attorney for the eastern district of Michigan, commencing September 1, 1911, vice Frank H. Watson, whose term has expired.

POSTMASTERS.

ALABAMA.

Frank W. Slocumb to be postmaster at Headland, Ala. Office became presidential January 1, 1911.

ILLINOIS.

Joseph C. Holly to be postmaster at McHenry, Ill., in place of Rollin Waite. Incumbent's commission expired January 30, 1911.

William S. Jenkins to be postmaster at Golconda, Ill., in place of John C. Baker, deceased.

KANSAS.

George A. Benkelman to be postmaster at St. Francis, Kans., in place of George A. Benkelman. Incumbent's commission expired February 20, 1911.

KENTUCKY.

Thomas M. Scott to be postmaster at Somerset, Ky., in place of William M. Catron. Incumbent's commission expired January 31, 1911.

MASSACHUSETTS.

Arthur E. Walker to be postmaster at Maynard, Mass., in place of William R. Hall, deceased.

MINNESOTA.

Ralph Prescott to be postmaster at Le Roy, Minn., in place of Charles S. Harden, who failed to qualify.

MONTANA.

Allan Cameron to be postmaster at Bozeman, Mont., in place of Ira L. Kirk. Incumbent's commission expired June 22, 1910.

NEW HAMPSHIRE.

William B. Gove to be postmaster at Antrim, N. H., in place of Albert Clement, deceased.

Cyrus E. Varney to be postmaster at Newport, N. H., in place of John B. Cooper, deceased.

NEW JERSEY.

James Steel to be postmaster at Little Falls, N. J. Office became presidential October 1, 1907.

NEW YORK.

Minnie N. Slaight to be postmaster at Tottenville (late Bentley Manor), N. Y., in place of Minnie N. Slaight, to change name of office.

NORTH DAKOTA.

Donald G. McIntosh to be postmaster at St. Thomas, N. Dak., in place of Donald G. McIntosh. Incumbent's commission expired February 28, 1911.

OHIO.

Robert Cleland to be postmaster at Convoy, Ohio, in place of David M. Riley, resigned.

OREGON.

Herbert H. Mack to be postmaster at Huntington, Oreg., in place of Henry Fildew, deceased.

UTAH.

William H. Rex to be postmaster at Salina, Utah. Office became presidential October 1, 1910.

VERMONT.

Edward B. Hatch to be postmaster at Chelsea, Vt., in place of Willard S. Hatch, deceased.

WYOMING.

John F. Crowley to be postmaster at Fort Russell, Wyo., in place of John F. Crowley. Incumbent's commission expired January 1, 1911.

CONFIRMATIONS.

Executive nominations confirmed by the Senate, June 14, 1911.

ASSAYER OF MINT.

Andrew Maute to be assayer of mint at Carson, Nev.

ASSISTANT ATTORNEY GENERAL.

William H. Lewis to be Assistant Attorney General, charged with the defense of Indian depredation claims.

PROMOTIONS IN THE ARMY.

CAVALRY ARM.

First Lieut. William S. Wells to be captain.

First Lieut. William H. Clopton, jr., to be captain.

Second Lieut. Henry J. Reilly to be first lieutenant.

Second Lieut. James J. O'Hara to be first lieutenant.

Second Lieut. Albert C. Wimberly to be first lieutenant.

COAST ARTILLERY CORPS.

Capt. Earle D'A. Pearce to be major.

First Lieut. Frederic H. Smith to be captain.

FIELD ARTILLERY ARM.

Maj. Charles T. Menoher to be lieutenant colonel.

Capt. Adrian S. Fleming to be major.

First Lieut. Charles G. Mortimer to be captain.

Second Lieut. Harold E. Marr to be first lieutenant.

INFANTRY ARM.

Lieut. Col. Robert N. Getty to be colonel.

Maj. Robert L. Hirst to be lieutenant colonel.

Capt. Ernest B. Gose to be major.

Capt. Paul A. Wolf to be major.

Capt. George D. Moore to be major.

Capt. Willis Uline to be major.

Capt. Charles C. Clark to be major.

Second Lieut. Cushman Hartwell to be second lieutenant of cavalry.

CHAPLAIN.

Chaplain George D. Rice to be chaplain with the rank of major.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants.

Ira Ayer.

Henry David Brown.

William Joseph Condon.

Timothy Francis Goulding.

George Edward Maurer.

James Edwin Mead.

Louis Allaire Molony.
 Sylvester Francis O'Day.
 David Michael Roberts.
 Stanley Sevier Warren.
 Robert Barker Williams.
 Ernest Brindley Dunlap.
 Daniel Brannen Edwards.
 James Vincent Falist.
 James Graham Flynn.
 John Tucker Halsell.
 Irving McNeill.
 Lee Whitmore Paul.
 Fred Allen Pittenger.
 Walter Leon Teaby.
 James Lyman Whitney.
 John Wesley Edwards.
 Theodore Bruce Beatty.
 William Thomas Belfield.
 Forest Alvin Black.
 John William Colbert.
 James Frank Corbett.
 James Beaty Eagleson.
 Herman William Goelitz.
 William Charles Heussy.
 Andrew Jackson Hosmer.
 Simeon Edward Josephi.
 Walter Kelton.
 Albert Edward Mackay.
 Kenneth Alexander James Mackenzie.
 Ray William Matson.
 William Porter Mills.
 Henry Joseph O'Brien.
 Brown Pusey.
 Alpha Eugene Rockey.
 John Osgood Rush.
 Austin Ulysses Simpson.
 Alan Welch Smith.
 George Flanders Wilson.
 Daniel Webster Fetterolf.
 Edgar Smith Linthicum.
 Reynolds Cornelius Mahaney.

POSTMASTERS.

NEW HAMPSHIRE.

William B. Gove, Antrim.
 Cyrus E. Varney, Newport.

NEW YORK.

John Maddock, jr., Larchmont.
 Wilmer D. Sharpe, Loomis.

OHIO.

Alva D. Alderman, Marietta.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, June 14, 1911.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, we thank Thee for our national ensign, a thing of beauty, which stands for law and order, liberty, justice, equal rights, peace and good will to all men; that it has become a national feature to celebrate in song and story its official birth and incomparable history in our public schools, by patriotic societies, and the people in general. Grant, O God, that the ideals which it represents may more and more obtain; that it may float on in peace over a happy, prosperous, God-loving people forever. In the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

CALENDAR WEDNESDAY.

The SPEAKER. This is Calendar Wednesday.

Mr. UNDERWOOD. Mr. Speaker, I move that the proceedings under Calendar Wednesday be dispensed with for to-day.

The SPEAKER. The gentleman from Alabama moves that the proceedings under Calendar Wednesday be dispensed with.

The question being taken, and, two-thirds voting in the affirmative, the motion was agreed to.

THE WOOL SCHEDULE.

Mr. UNDERWOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

state of the Union for the further consideration of the bill (H. R. 11019) to reduce the duties on wool and manufactures of wool.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11019) to reduce the duties on wool and manufactures of wool, with Mr. HAY in the chair.

Mr. UNDERWOOD. Mr. Speaker, I yield two minutes to the gentleman from Kentucky [Mr. HELM].

Mr. HELM. Mr. Chairman, on yesterday, when the gentleman from Pennsylvania [Mr. DALZELL] was addressing the House, he made a characterization of myself that I do not think I should permit to pass unnoticed. I shall not undertake to reply to the gentleman in kind, preferring to follow the manner of gentle breeding rather than that of the coarse and rough.

During the course of his remarks he had, to his apparent satisfaction, successfully established the error of the statement of the leader of the Democratic Party in his opening statement with reference to the bill under discussion regarding the present condition of the Treasury, and was proceeding to show how the Treasury of the United States was bulging and plethoric, and at that time I ventured to inquire whether or not the work on the Panama Canal having progressed since 1902, and all the expenses incident thereto having been borne by the current revenues of the Treasury, that it occurred to me that if the Treasury was in the wholesome and healthy condition that it had been since the inauguration of that work, it was unnecessary to issue the fifty millions of 3 per cent bonds that are now being advertised for sale, carrying an annual interest burden of \$1,500,000 to be added to the present \$21,000,000 annual interest account we are now carrying; that if the Treasury had been able to carry this expense of over \$200,000,000 without the issue of bonds, I questioned the wisdom of issuing bonds at present to refund to the Treasury the amount of money that had been expended heretofore in the construction of the canal, notwithstanding the fact that the right to issue such bonds had existed since August, 1909. It struck me as a little strange that if the Treasury is in the condition described by him at this very particular time it was necessary for the Secretary of the Treasury to issue these bonds now. That statement he characterized as ignorant, and coming from an intelligence so ignorant as not to be worthy of an answer, and immediately, with much show of feeling, refused to yield further in order that I might reply to him and have been compelled to wait until this time to do so.

And yet I fail to see, Mr. Chairman, where his characterization applies; and for myself, having made this statement, I am willing for that accusation to rest upon the person who should bear such a characterization, and I leave it to the RECORD to show whether the gentleman merits his own characterization, or whether I deserve it. [Applause on the Democratic side.]

Mr. PAYNE. Mr. Chairman, I wish to call attention to the fact that the gentleman from Pennsylvania [Mr. DALZELL] was not in his seat this morning during the remarks of the gentleman from Kentucky.

I now yield one hour to the gentleman from Wisconsin [Mr. BERGER].

Mr. BERGER. Mr. Chairman, it is hardly necessary for me to explain how highly I appreciate the honor of being a member of this House.

There is probably no other legislative body in the world in which there are so many earnest, bright, and interesting men. However, you interpret things as you see them, and you see them from the point of view of your class—the capitalist class.

The first question you naturally ask of any new Member is, What is your message?

Now, Mr. Chairman, I have a message to deliver from the most advanced and intelligent section of the toiling masses—from millions of men and women.

If you will bear with me in patience for an hour I shall try to deliver a part of that message to the best of my ability.

I am told that oratory counts for little or nothing in this House—that you want facts. I am very glad of that, because I hope to convince you within 5 minutes that I am not an orator, and within 10 minutes that I have some facts.

Now, gentlemen, I just ask you kindly to overlook my Milwaukee accent, but to overlook nothing else. [Laughter.]

Some of the gentlemen here have repeated the old threadbare fallacy that the high tariff is to protect labor.

Now, I want it understood that there is no such thing as protection to labor in any tariff bill. I want to say this in the name of the many millions of enlightened workingmen in this country, and in all other civilized countries, who think for themselves.